The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

The "Puppet of Pootung" and Japan's Program at Shanghai

ARTICLES IN THIS ISSUE

China Becomes the Teacher of an "Awakening West"

Puppet Governments, Public Opinion and Prospects for Peace in the Far East—Japanese Plans for Shanghai

Japanese Claim Capture of Purple Mountain—Gen. Chiang Kai-shek Flies to Nanchang—Nanking Resists

Japanese Stage "Victory Parade" in International Settlement, Despite Protests

Outstanding Events in the Sino-Japanese War

Japan's Adverse Balance Will Reach Yen 600,000,000 for the Year 1937

China Scores Victory Through Losing the Game . By Anna Ginsbourg

How Japanese Control of China Will Menace U.S. Industries and National Defense . . . . . By D. K. Lieu

SATURDAY, DECEMBER 11, 1937 VOLUME 83, NUMBER 2

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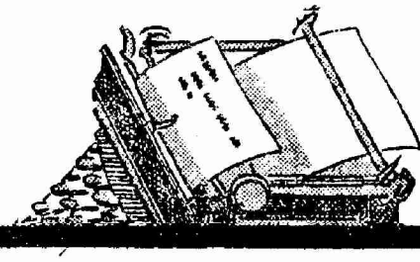

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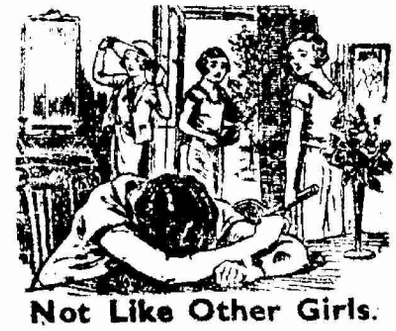

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ATTER OF
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of
MANUELLA DUNCAN
MORTON,
Deceased

Cause No. 4260
Special Proceedings
No. 2139
NOTICE
Filed at Shanghai, China,
November 20, 1937.
William T. Collins.
Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Manuella Duncan Morton, deceased, to present the same with vouchers to the undersigned on or before May 27, 1938, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Charles M. Myers,
Associated Mission Treasurers,
Shanghai, China,

Shanghai, China.

In the United States Court for China

In re.
LAST WILL AND
TESTAMENT
of
NORMAN GALUSHA
HARRIS,
Deceased

Cause No. 4272
Special Proceedings
No. 2151
NOTICE
Filed at Shanghai, China,
December 7, 1937.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Norman Galusha Harris, deceased, to present the same with vouchers to the undersigned on or before June 11, 1938, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

R. N. Harris,
Special Administrator,
c/o Yee Tsoong Tobacco Co. Ltd.
175 Soochow Road,
Shanghai.

Shanghai, China.

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REPRINTED

It has become necessary to reprint our entire edition of March 19 which included the Supplement dealing with

MAZING EXTENT OF WAR DESTRUCTION IN CHINA

What is the extent of China's war damage? The March 19 issue of **The Review** contained a 32 page supplement devoted entirely to the matter of losses caused by Japan's "undeclared" war in China—Industrial, Commercial, Residential; Chinese Colleges and Universities; Civic and Cultural Structures; Christian Educational Centers; Mission and Religious Buildings; Scrap-Iron and Machinery Thefts; Foreign Commerce throttled!

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Industrially Crippled China—Recipient of a Made-in-Japan Earthquake
Hangchow—Ancient Landmark Crumbles under War's Impact
Nanking—What Really Happened—and the Japanese Paradise.
Shanghai Industry Stilled by War's Heavy Guns
Foreign Mission Losses Heavy—Catholic Losses Nearly $4,000,000.
Diary of an American Doctor—Wusih Property Looted.
Tsingtao Mills Wiped Out in Retaliation.
Throttling of Shanghai Commerce—North China Tariffs

IT CONTAINS SEVERAL PAGES OF PICTURES

Owing to the extra expense involved in resetting and reprinting the entire edition, the selling price for the combined regular edition and Supplement (60 pages) including postage in China, will be 50-cents a copy, or a dozen copies for $5.00 Chinese currency.

It is the most complete summary dealing with Japanese destruction in the Shanghai-Nanking-Hangchow district, most densely populated area and industrialized section of the Chinese Republic which has been published anywhere.

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密勒氏評論報
The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

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THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

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J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; FRANK GAPP, Financial Editor; TRYPHON V. KU, Advertising Dept.; F. K. CHAO, Business Dept.

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

CHINA BECOMES THE TEACHER OF AN "AWAKENING WEST"

FOR many years the West has been talking about the "Awakening East"; it is time that some one pointed out the existence of an "Awakening West."

During the many years of modern history the West has been only subconsciously aware of the presence of the East, and, as is usually the case where ignorance prevails, that which was not understood was labeled "mysterious." Consequently the East has been "mysterious."

The sound of gunfire accompanied by the drone of planes and the thunder of exploding bombs has awakening the West from its self-centered dreams to the realization of the existence of a strong and virile East. With this sudden awakening has come a horde of questions—what is the position of Shanghai?; why are there so many foreigners there?; where is Nanking?; is China communistic?; who is Pai Chung-hsi?

Some of the questions are hard to answer; some are simple. The journals are doing their best, but generally speaking, only those magazines with an already awakened public, like *Asia*, can put out sufficiently informative articles. Other journals fall into peculiar errors, which demonstrate that in the eagerness to understand the present situation, the West has searched in the dusty files and published information that was true five or ten years ago, but which then passed unnoticed except by a few specialists. In the American press, one is apt to find the Mayor of Greater Shanghai listed as O. K. Yui, with the picture that of Gen. Wu Teh-chen.

The United States, however, has had less trouble keeping up with the changing scene than has Europe. French papers have gone so far as to publish a feature story about Shanghai in which the author solemnly described the wall which surrounds the old Chinese city of Nantao. Considering that the last portion of the wall was torn down quite a few years ago and that only a few people in Shanghai have very distinct memories

of that last portion, one wonders if the author has not referred to a good, standard encyclopedia of the end of the last century. Another French paper has mentioned the importance of Shanghai in the journalism of the Far East, pointing to the large number of English language dailies in the city, and including, along with the *North China Daily News*, the *China Times* and the *China Evening News*. Among the weeklies it mentions the *China Weekly Review* and the *Sporting Times*. We are aware of the existence of the *North China Daily News* and *The China Weekly Review*, but as to the others, we have a recollection that they faded into the limbo of forgotten enterprises. The *China Press*, *Evening Post* and *Shanghai Times* overlooked entirely!

In Great Britain there is an even greater lag. Although Rip van Winkle slept for only twenty years, it seems certain that if he had been an English Tory he would have slept for fifty. All of which is due to British conservatism and is inextricable from the "British character", as *Punch* calls it. It is really conducive to a certain amount of accuracy. Some British papers still tend to think of China as a great disorganized country that shows signs of life, but really needs a few strong (Japanese ?) hands to lead it properly. The Liberal and Labor press show more intelligence.

Nevertheless, behind all this plethora of ancient information lies the fact that the West is awakening to the importance of the East, and we can expect that after the public has absorbed the initial flood of encyclopoedic information there will be a demand for the facts.

Puppet Governments, Public Opinion and Prospects for Peace in the Far East

CAN Japanese bombers, naval batteries and army tanks destroy a half century of progress in China and put the country back to the period preceding the Boxer uprising when the chief subject of discussion in European chancelleries was the break-up of China?

Can the Japanese Army destroy China's cultural and spiritual existence and precipitate the downfall of the world's most ancient civilization?

Can Japanese warlords enforce throughout China a policy already in operation in Manchuria whereby all higher education is elimated, excepting a few high schools for training men to work under Japanese directors of governmental department—leaving the masses of the population in the position of illiterate coolie consumers of Japanese merchandise? Chinese women are even denied the limited educational facilities open to males.

⁂

These questions are in the minds of millions of Chinese and well-wishers of China residing here and abroad. Of greatest significance are the efforts of Japanese military authorities in various parts of the country to induce Chinese citizens to participate in the organization of "puppet" governments to replace Chinese administrative authorities driven out or killed by Japanese invaders. All are familiar with the puppet administration headed by the Manchu "boy emperor" Henry Pu-Yi in Manchuria and the more recent set-up in Inner-Mongolia, headed by Prince Teh Wang. Of local interest was the creation of the first puppet administration in this area—in Pootung—headed by a native of Fukien province (or Formosa) named Su Hsi-wen. Why "Mayor" Su established himself in Pootung instead of the Civic Center apparently was due to the intentions of the Japanese to utilized that area as a sort of Japanese concession—as a price for the present incident!

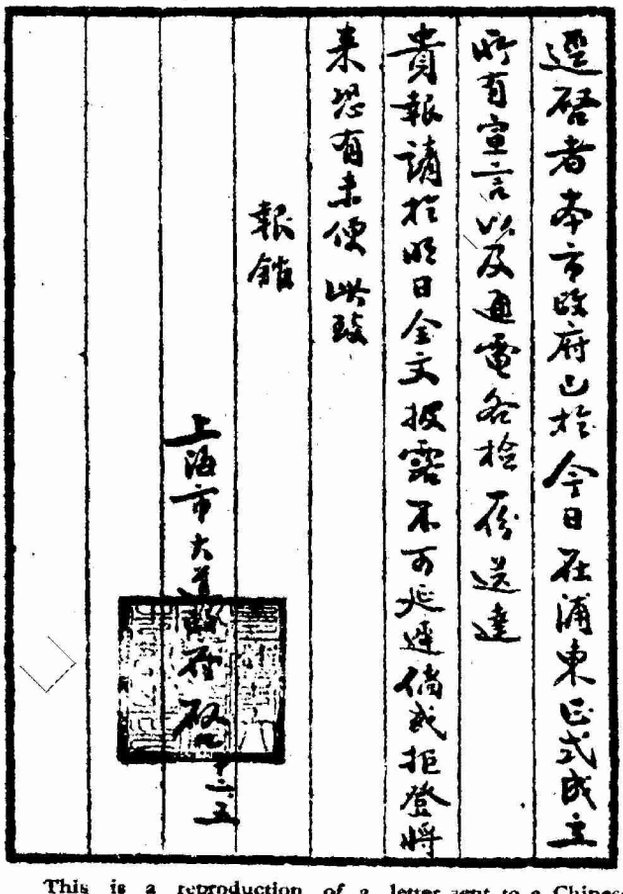
According to an article in the December issue of *Chuo Koron*, influential Tokyo magazine, written by Rikuro Takagi, vice-president of the China-Japan Industrial Development Company, the Japanese plan to demand "special rights" on the Pootung side of the Whangpoo which the Japanese intend to develop, "along with the French Concession, International Settlement and Nantao." There is now in process of formation, according to Mr. Takagi, a specially chartered company which will have a monopoly of dealing in land, establishing warehouses and wharfs and other facilities for the development of foreign trade on the Pootung side of the river. The land purchased and developed will be for the exclusive and permanent use of the Japanese people. However, foreigners may also be given privileges in the Pootung district!

The development of Pootung as a special Japanese industrial district is to be only a minor phase of a far-reaching Japanese scheme which involves the entire lower Yangtsze estuary. According to Mr. Takagi the basic condition of the Japanese program "must be the establishment of Shanghai 'free municipality' in the area east of a line connecting Fushan on the Yangtsze with Chapoo on Hangchow Bay, the connecting line passing through Changshu and Soochow. He stated, however, that "if the Japanese army advanced further" the line dividing the Shanghai free municipality from the rest of China should be moved westward until it connected Kiangyin on the Yangtsze with Hangchow on the south, with the connecting line passing through Soochow and

WIDESPREAD JAPANESE PROPAGANDA DRIVE AGAINST CHINESE UNITY

One of the millions of Japanese handbills thrown from Japanese planes designed to create dissension in the Chinese political and military camps. But as usual the Japanese exposed their hand by using incorrect Chinese ideographs. The character on the large figure, intended to indicate Feng Yu-hsiang was incorrect. But the printing of the figure in red was intended to indicate Feng's alleged pro-Soviet leanings. Uncle Sam and John Bull are on the sidelines with the Soviets looking on and T. V. Soong controlling the money.

LETTER FROM POOTUNG PUPPET

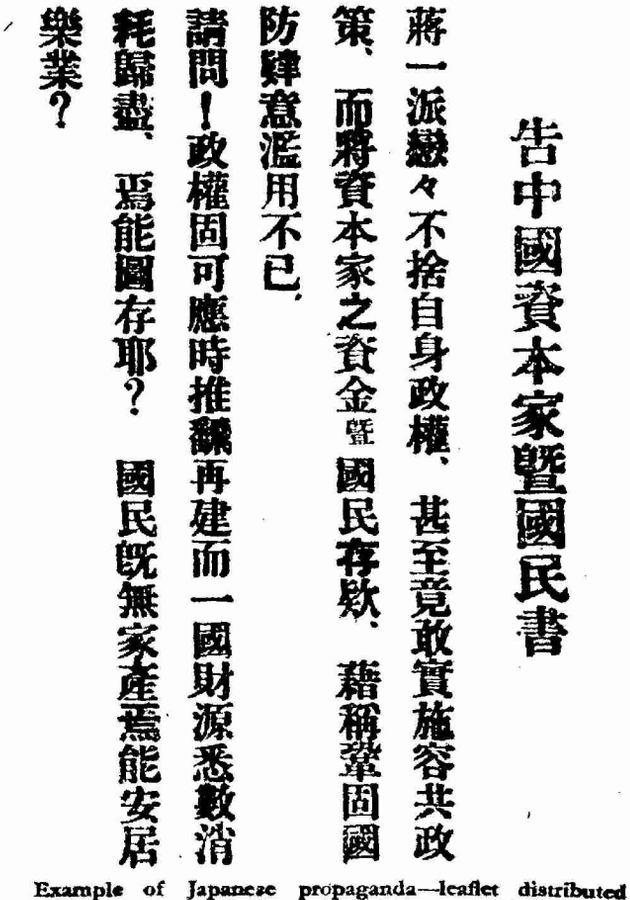


逕啓者本市政府已於今日在浦東正式成立
時有宣言以及通電合抬發送
貴報請於明日全文披露不可延誤倘或拒登將
來恐有未便
此致
報館

上海市大[illegible]政府秘書[illegible]

This is a reproduction of a letter sent to a Chinese newspaper by the "Puppet of Pootung," otherwise "Mayor" Su Hai-wen, who demanded that the Chinese paper (in the International Settlement) print his proclamation in full, otherwise something serious might happen to the paper.

ATTACK ON CHIANG KAI-SHEK



告中國資本家暨國民書

蔣一派戀々不捨自身政權、甚至竟敢實施容共政策、而將資本家之資金暨國民存欵、藉稱鞏固國防肆意濫用不已、

請問！政權固可應時推飜再建而一國財源悉數消耗歸盡、焉能圖存耶？國民既無家產焉能安居樂業？

Example of Japanese propaganda—leaflet distributed over Chinese areas—Addressed to Chinese capitalists and people, circular accuses Gen. Chiang Kai-shek of dissipating the country's resources. The circular asks, "How can you rehabilitate the country, when its resources have been destroyed, or the Chinese people, when they are without homes?"

Kashing." Why he did not include beautiful Lake Tai in the area was not explained.

The "free municipality" is to be operated by the Japanese" acting in cooperation with the Chinese." The writer of the article in the Tokyo magazine said that some Japanese argued that the Japanese should have their exclusive settlement in the Shanghai area which should extend from Chengju to Woosung, but he expressed the belief that the creation of foreign settlements "may be considered as antiquated .... generally regarded as unwise when the retrocession of leased territories to China is more advantageous for a nation in furthering its interest in that country than establishing a new one." Still others had advocated the recognition of Shanghai as a "mere foreign leased territory.... to be provided with equipment for fighting the activities of the Comintern....but this scheme is also not in keeping with the new age....therefore the most appropriate plan is the establishment of a Shanghai free municipality through Sino-Japanese cooperation....with a certain number of Japanese participating in it in an advisory capacity...." He also recommended a similar scheme for other large cities along the Yangtsze and along the coast to the South, but space is not available for a complete reprint herewith.

Aside from local developments chief interest is centered on the situation in North China where other Japanese groups are working on the most ambitious "puppet" scheme of all—the creation of a new Chinese Government which would reoccupy the ancient and dilapidated buildings of that city, some of which have been vacant since the collapse of the Manchu Empire in 1911 and others since the coming into power of the Nationalist Government in 1927 which resulted in the complete abandonment of Peiping and the creation of a new capital at Nanking. According to an article in the Tokyo *Nichi-Nichi* on Dec. 4 the creation of an independent government offers "the only solution to the North China problem." It was claimed by the writer of the article, and later repeated by other writers, that Japan plans to withdraw recognition of Nanking immediately following the occupation of that city. Whether this will be done remains to be seen, but there is considerable evidence that the Japanese themselves are not unified on any program, the most serious split being among the powerful warlords themselves. The Kwantung branch of the Army, now all-powerful due to its domination of Manchukuo, has practically monopolized North China despite the presence in that area of other military elements directly responsible to the Tientsin garrison and the Tokyo general staff. Evidence of this is provided in the control of all development projects by organizations which have their headquarters in Manchuria such as the South Manchuria Railway and its auxiliaries, or the Oriental Development Corporation which is controlled by interests concerned largely with Manchuria and Korea. These interests would like to re-create Peiping as the national capital, primarily with the object of bringing it and Chinese officialdom concerned with it, under Japanese military influence—Kwantung Army influence!

A *Domei* message (Peiping, Dec. 5) quoted the old familiar "well informed quarters" as expressing the belief that a new administration would be organized in Peiping by the New Year which "will aspire to represent not only North but Central and South China as well." A later dispatch from Tientsin referred to resolutions passed by a mass meeting at the little town of Shunteh, Hopei Province, advocating an autonomous administration in the North. And the propaganda refrain is echoed by *Domei* from Taiyuan, capital of Shansi; Tatung, northern Shansi; Shihchiachwang in western Hopei; and even from Soochow, near Shanghai, where the Japanese found only 500 people out of a normal population exceeding 200,000 when they occupied the city. But in no instance have the Japanese succeeded in inducing any individual of consequence commanding the respect or even the acquaintance of the people generally to come forth and accept a position in any of the puppet administrations thus far allegedly established. Some of the puppets, originally advertised by *Domei*, have already been forgotten. One wonders what happened to the "Puppet of Paoshan" who received so much attention in the official Japanese news agency's reports.

W. Lewisohn, correspondent in Peiping for the *North-China Daily News*, stated in the course of an article published on Nov. 20 that all was not proceeding smoothly with regard to the creation of a new government in the North and as a result of recent dissention within the Japanese camp, discussions pertaining to the new administration had died down. Mr. Lewisohn stated that the somewhat hurried formation of the new independent "state of Mongolia" had upset the scheme for a five-province "state of Huapeikuo," because the puppet state of Mongolia had stolen two of Huapeikuo's provinces, Suiyuan and Chahar. Since the Mongolian puppet was controlled directly by the Kwantung Army, it was stated that this action had "fanned the ever-simmering jealousies between the Kwantung Army and the North China command. Certain Japanese had advanced the theory that since Nanking shortly would be occupied Nippon might forego the breaking up of the country, "if a sufficiently friendly and submissive government could be set up in the present national capital." It was stated that the difficulty which the Japanese were experiencing in finding

a suitable candidate to head their administration in the North was responsible for renewed rumors that Henry Pu-Yi might be brought back to Peiping, despite the opposition of certain elements in the Kwantung Army. The presence in Peiping of Cheng Hsiao-hsu, former premier of Manchukuo and the hurried trip to Shanghai of a well known foreign resident of Peiping, formerly active in political intrigue were cited in other quarters as evidence of another "coronation" in the former Manchu capital. Mr. Lewisohn concluded his article by stating that despite the glowing accounts in the newspapers about the wonderful schemes that were being drawn up and the numerous companies with enormous capitalization that were being formed within the conquered territory, "nothing whatever had taken place, except on paper. . . . Nor does there seem much likelihood of anything important really eventuating along these lines in the near future, if only for the very pertinent reason of lack of the necessary capital."

⁂

Aside from Manchukuo where the Japanese have dumped vast sums in development schemes largely of a military nature, thereby creating an artificial prosperity, practically nothing has been accomplished elsewhere except the distribution of reams of *Domei* propaganda about the grandiose schemes which the Japanese military functionaries hope to inaugurate in North China. The reasons for this are three-fold,—first, dissention within the Japanese camp, particularly the warlords of the Kwantung Army and the Tokyo general staff, with ensuing inability to decide upon any definite and comprehensive scheme; second, inability to obtain capital either in Japan or abroad; third, failure to obtain the cooperation of any responsible citizen of China in either governmental or developmental projects.

In view of this situation in the North, which is likely to be repeated with even greater emphasis as the Japanese military appetite expands, the Chinese have little to fear so long as they can maintain their morale and prevent political adventurers from cooperating with the Japanese. The loss of the National Capital is serious; that goes without saying; but other countries have lost their capital cities as a result of war and have come back later with increased strength. The Japanese program, involving the wiping out of all material and cultural progress in this country since the Boxer Rebellion and the transformation of this country into a dependency containing coolie-consumers of Japanese goods is both fantastic and ridiculous and if persisted in will finally stir the masses of China into a frenzy of resistence that will drive the Japanese invaders into the Yellow Sea.

The argument that the Chinese people are permanently lacking in political consciousness and may be governed by any alien group possessing superior armed force, ignores all nationalistic developments in this country extending over more than a half century.

When the nationalist revolutionary movement first developed in Canton in 1925-1926-1927, British colonial elements in Hongkong and conservative economic-political interests at home were inclined at first to oppose the movement by force. Later they adopt a more intelligent policy of compromise and benefitted accordingly. The Japanese kept quiet in 1927, but now they are trying to suppress Chinese nationalism by force. They have succeeded in overcoming the initial strength of the Chinese armies due to their greater superiority of mechanical equipment. But they have not succeeded in overcoming Chinese nationalistic sentiment—on the contrary Chinese patriotism and desire for unity probably have been strengthened.

Any idea that an alien invader can rule China by "giving the coolies a rice-bowl" indicates a type of reactionary mind that has not benefitted from political developments in practically every country since the world war.

Wang Ching-wei Sees Shortcomings in Flotation of Liberty Loan

"Sympathetic world Powers are being given a chance to participate in China's campaign of resistance against Japanese aggression, as China is keeping her fighting morale undiminished, both in the front and rear, to the very last moment," declared Wang Ching-wei, Chairman of the Central Political Council, in the course of a speech in Hankow Dec. 4. "China," he urged, "must face the crisis with bitter determination, undaunted by the temporary success of the Japanese."

Mr. Wang quoted the ancient Chinese adage, "Know your enemy and know yourself," as one of the secrets in which lay a chance of China winning the war by dint of endurance. "Knowing her own shortcomings, China," Mr. Wang emphasized, "has felt the more strongly the need of redoubling her efforts to carry through the struggle with bitter determination. China has to depend on her people in the rear as well as on her fighting forces in front to prolong her campaign of resistance to to the last minute. There can be no strong fighting force if the masses at the rear are weak and disorganized."

Therefore, Mr. Wang continued, it had been a motto for the present struggle of China that each and every citizen should take a share by contributing money or labor.

Certain shortcomings, he declared, had been discovered since the flotation of the $500,000,000 Liberty Bond issue, on which much of the future destiny of China's struggle against Japan depended.

"The issue," Mr. Wang said, "is only one-fifth of what Japan has raised by a single stroke. If China fails to raise this amount, there can harbly be any 'resistance to the last' to speak of."

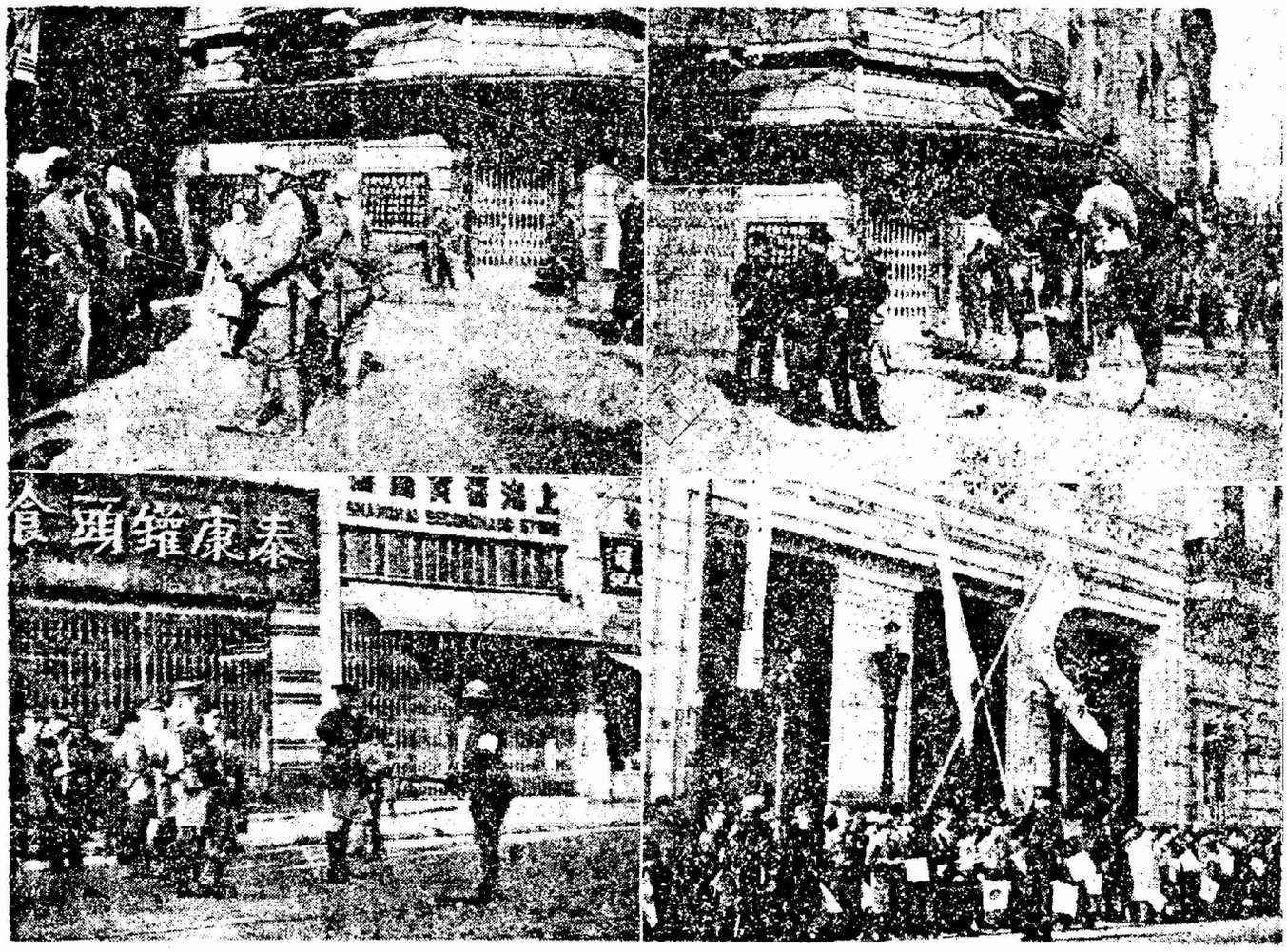
Gen. Chiang Kai-shek Nominated "Man of the Year"

The wellknown American Magazine *Time* conducts an annual contest for "Man of the Year," the nominations being made by readers of the Magazine during the months of October and November. A reader named Charles Cassil Reynard of Girard, Ohio, nominated Gen. Chiang Kai-shek, in a letter printed in the Nov. 1 issue of the magazine. Mr. Reynard also nominated Madame Chiang along with her husband as the "Couple of the Year," their achievements including the unification of China, their ability to produce bombs and mines "from nowhere," for advancing national progress and New Life "in spite of centuries of ancestor worship and changelessness."

Japanese Stage "Victory Parade" in International Settlement, Despite Protests

DESPITE the protests of practically all the Consuls representing foreign Governments in Shanghai, the Japanese military authorities conducted a "victory parade," participated in by more than six thousand armed troops, accompanied by cavalry carrying mountain guns, scores of artillery pieces, and with Japanese planes hovering overhead, through the principal streets of the Shanghai Foreign Settlement, last Friday, December 3. The sentiment of the entire population of Shanghai, Foreign and Chinese, concerning this march was reflected in an editorial in the American-owned and edited *Evening Post*, which commenced a highly critical editorial of the Japanese action with the words "Completely inexcusable." The thinly disguised object of the march was to flout the authority of the constituted Municipal authorities here, and to demonstrate that the Municipal Police are not able to maintain order, so that the Japanese military authorities might step in and do the job for them. As it turned out, there was an incident. An unidentified Asiatic—whether Chinese, Korean or some other nationality, has not been ascertained—hurled a hand grenade near the corner of Nanking Road, and Chekiang Road, where the two oldest Chinese department stores are located, which injured several Japanese soldiers and a foreign policeman. The perpetrator of the act was shot down by a Chinese policeman belonging to the Shanghai Municipal Police. The fact that the culprit has never been identified, that he was an utter stranger here and is generally believed to be a Korean, leads to the suspicion that he may have been an *agent provocateur*. Following the parade, a Japanese spokesman said the Japanese authorities were "satisfied" with the work of the Settlement Police, although a perverse and savage attack on the ability of the Police in the local Japanese daily newspaper puts a somewhat different aspect on the matter.

JAPANESE VICTORY PARADE INTERRUPTED WHEN A CHINESE (OR KOREAN) THREW A BOMB ON NANKING ROAD



The pictures at the top were taken immediately after the Chinese (or Korean) threw the bomb which disrupted the Japanese victory parade and created an international incident of far-reaching consequences in the Shanghai International Settlement. Lower left shows the Japanese soldiers, with fixed bayonets, trying (unsuccessfully) to prevent a platoon of British troops from marching along Nanking through the cordon which the Japanese threw about the street intersection where the bombing occurred. Lower right shows British and Sikh municipal police guarding the line of march.

British Sentries Present Arms

The Japanese troops entered the Settlement by way of the western district shortly before 11 a.m. They were

headed by six official cars, escorted by mounted Sikh police, mobile police and foot police. As they passed the British outpost at Brenan Road the British sentries presented arms and the salute was returned by the Japanese.

Marching into Yu Yuen Road, the soldiers were cheered by a group of Japanese civilians stationed at Jessfield Park, transported there by a huge fleet of motor cars. Other groups were scattered along the length of Yu Yuen Road, all of them guarded closely by police, while at St. George's, where the procession passed along Avenue Haig into Avenue Foch, another group was present to cheer the marchers. The cheering by the Japanese groups was well stage-managed, their cheers being recorded by microphones and transmitted by radio to Japan. "Talkie" movies of the parade were also made.

Continuing without halt, the Japanese troops proceeded along Yu Ya Ching Road to Nanking Road and turned east into the most densely populated area in the city.

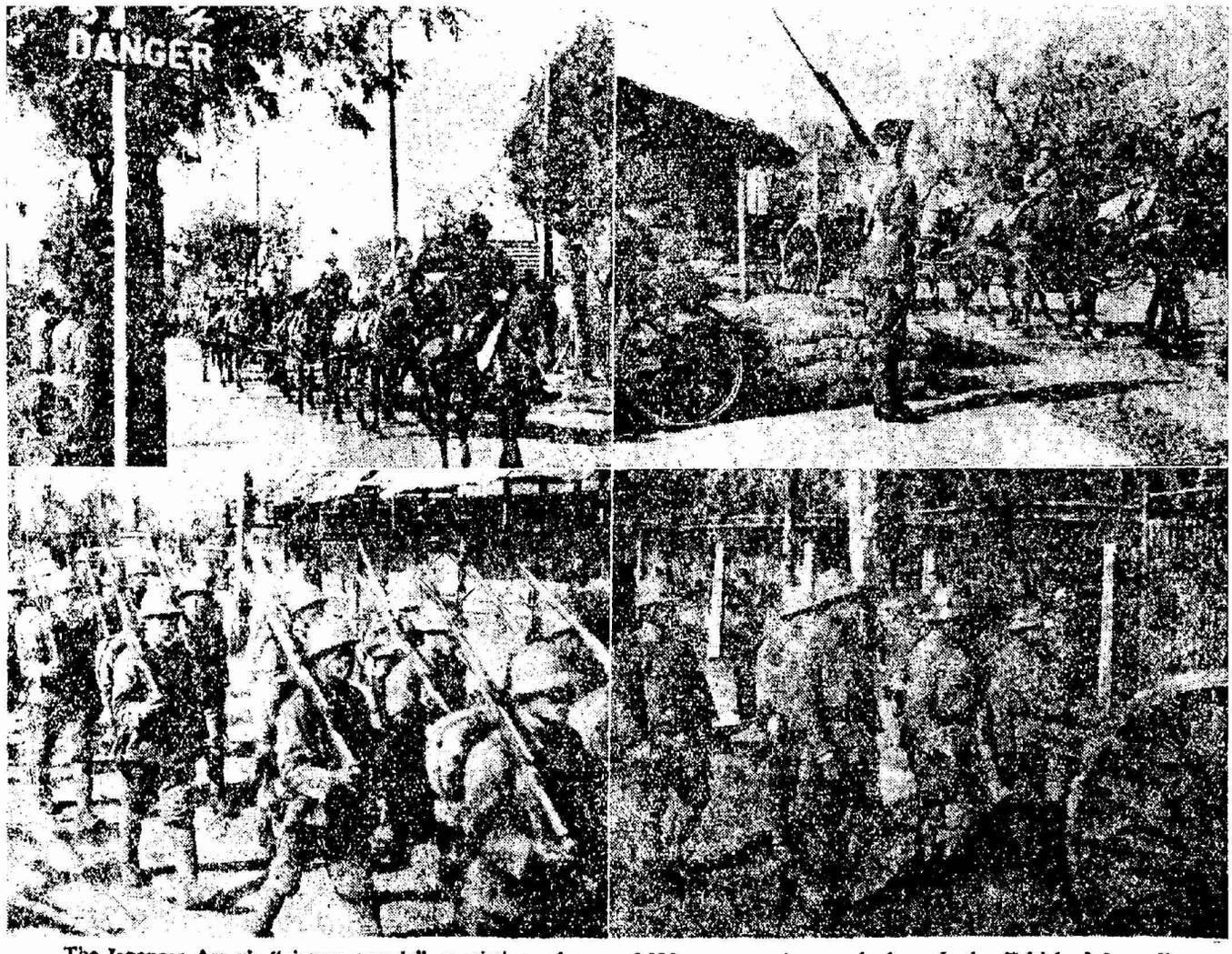
Police precautions were redoubled at this point and patrols which had been clearing Nanking Road since noon were reinforced by police released from the western districts after the procession had passed through. Police were standing within ten feet of each other along Nanking Road from Yu Ya Ching Road to the Bund, and groups of from three to six were stationed in all streets leading into Nanking Road, holding back curious Chinese spectators at least fifty yards from Nanking Road.

Despite all precautions, however, the "expected" incident occurred. As the Japanese troops were marching past Kwangse Road, a missile which later investigations showed to be a hand grenade exploded close to the Japanese troops. At the sound of the explosion, Japanese troops a hundred yards each side of Kwangse Road fell to the ground, fixing bayonets as they fell and preparing for action. There was a brief instant of waiting and at the shout of an order, the soldiers leapt from the ground and advanced in short rushes down Kwangse Road on both sides of Nanking Road, barring off all exits and entrances and taking up positions covering all approaches.

The Japanese soldiers, however, were not called upon to do any shooting, as a Chinese police constable "beat them to it" and shot the prepetrator on the spot.

The unidentified hand grenade thrower was left to die on the sidewalk, the Japanese soldiers not allowing him to be moved. The Chinese authorities refused to hold an inquest over his dead body, taking the attitude that there was no evidence to show that he was a Chinese. The bombing occurred at 12.44 noon, wounding three Japanese soldiers, one Japanese civilian, and one foreign policeman.

JAPANESE "VICTORY PARADE" PASSES THROUGH BRITISH LINES



The Japanese Army's "victory parade" consisting of some 6,000 men, as it passed through the British defense lines on the Jessfield sector and entered the International Settlement—culminating in a bombing incident when the Japanese paraders passed along Nanking Road in the vicinity of Sun Sun Department Store. The picture at the upper right shows the much-discussed British sentry who allegedly saluted the Japanese troops so frequently as to arouse the amusement and laughter of the Japanese soldiers all along the line.

Hand-Grenade Incident Causes Break in Parade

The hand-grenade incident caused a distinct break in the timing of the parade. Instead of the parade passing a given point, say on Nanking Road, in about 40 minutes as originally planned, with this break in the continuity it took almost two hours. In the meantime all north and south traffic in the Central district was entirely stopped. As the result of a group of Japanese officers and soldiers taking complete control of the area in which the hand-grenade was thrown, traffic on Nanking Road was entirely stopped until about 9 o'clock at night. The Japanese military action was a distinct breach of Muni-

cipal authority, but it was one of these cases where the local authorities had to submit to *force majeure*.

The Japanese military group which investigated the hand-grenade incident extended its operations into the sector assigned to the American Marines. Their butting-in, however, came to an end very promptly, when Colonel Charles F. B. Price, commanding officer of the Fourth Marines, and Capt. Ronald A. Boone, public relations officer, called the attention of the Japanese officers to the fact that they had entered the American-controlled zone, and requested them to leave at once. This, the Japanese did, without further parley. The action of the local Marine officers was approved by the authorities in Washington, as was made evident by a statement issued by Secretary of State Hull on the following day.

Many minor brushes occurred between foreigners and Japanese during the three hours of the parade and afterwards when the Japanese using, amongst others, machine-gun units and mounted men, started to make a "military zone" in the Settlement on a steadily growing scale.

The main incident occurred at the corner of Nanking Road and Szechuen Road, when a group of Japanese civilians carrying Japanese paper flags waved them in a contemptuous manner in the faces of Western spectators. When this happened to E. T. Maitland, a member of the British bar, he grabbed one of these flags, breaking the frail stick, and thew it to the ground. This resulted in an uproar. The Japanese assaulted the Britisher, who in an interview said that for the first time in his life he is the "possessor of a beautiful blue-black-green and pink eye."

In the course of the interview Mr. Maitland also said:—

"Fortunately, a British police officer arrived practically simultaneously with the assault, and with his assistance I was escorted to safety. I cannot speak too highly of the efficiency, ability and kindness of the police authorities, and it is indeed a pleasure to record the coolness and tact with which the situation was handled, and which undoubtedly saved what might have developed into a very serious situation. 'I was taken by the police to the nearest police station where I was, for safety's sake, afforded the courtesy of a room in private quarters, this being due to the fact that many enquiries about, and attempts to communicate with, me were being made by certain Japanese. Upon being satisfied that apparently I was not in evidence, they departed and peace once more reigned."

Vaughan Read, 75-year old American, was among those involved in altercations with the marching Japanese soldiers. In an incident which occurred in Yu Ya-ching road he allegedly hit a Japanese in the mouth, causing blood to flow.

British Newspapers Realize That Parade Was Blow at Western Prestige

The London *Times* denounced the Japanese demonstration in Shanghai as an attempt to take over control of the city. "At best, if it had gone off smoothly, it would have been an artless piece of pomp," The *Times* said. According to the editorial, Japan was making a mistake in estimating "how much farther she can go with impunity . . . Japan has certainly gone very far, but it would be imprudent for her to subject foreign interests in China to more than what they have come to regard as inevitable wear and tear."

British Foreign Office subordinates Dec. 3 consulted the War Office on the possibility of rushing additional reinforcements of British troops to Shanghai. The Government was concerned over the weakness of the British troops in Shanghai and may consider the dispatch of permanent reinforcements. The lack of troop strength in Shanghai coupled with the lack of adequate defenses in Hongkong, were subjects of conferences between the offices concerned.

The incidents at Shanghai passed off without major disturbance owing to the restraint of the British, Americans and French, the *London Sunday Express* said in a leading article on the Japanese "victory" march through the International Settlement. A wise man, the newspaper declared knows when to act and when to hold his hand. "We can afford to wait," it adds. "The great lesson of history is that Great Britain always wins the last round, the only round that really counts."

The *London Sunday Times* stated that the Japanese victory march doubtless had the definite purpose of striking a blow at the prestige of the Western Powers concerned in the International Settlement, especially Britain and America. The risks involved, the journal proceeded, did not materialize only because of the efficiency and promptitude of the Shanghai police. "No candid person," it declared "will pretend that we have lost nothing by not defending our prestige, and maybe we should have acted differently if our hands had not been held by pre-occupation with problems and dangers nearer home. But as things were, our cue was, and is, to conform our action in the Far East with that of the United States and, generally, to go no further than American policy goes. That may, from time to time, put some temporary strain on our prestige, as it may possibly have done in this instance, but it is the only path consistent with prudence."

A statement announcing a "decisive policy" for the protection of British interests in Shanghai and Hongkong is being prepared by Prime Minister Neville Chamberlain for submission to the Cabinet. The futility of further protests to the Japanese government was fully recognized. Meanwhile, close contact is to be maintained by the British with the United States, which, London telegrams said had been showing grave concern.

Japanese Daily Criticizes S. M. P. for Not Taking "Sufficient Precautions"

Severely criticizing the "inadequacy" of the measures taken by the Shanghai Municipal Police to maintain peace during last Friday's march of the Japanese troops through the Settlement, the Shanghai *United News* a Japanese daily, declared that the S.M.P. had displayed a "lukewarm and insincere" attitude in suppressing the anti-Nipponese movement. The failure of the S.M.P. to take all necessary steps had resulted in injuries to four Japanese the daily pointed out. "In fact" the journal said "the only step taken by the S.M.P. to curb anti-Japanese terrorism has been to shoot the man responsible for the Nanking Road incident". This the Japanese newspaper asserted "shows that the Municipal police is incapable of keeping the anti-Japanese movement and terrorism in check."

American Newspapers Give Prominence to Incident

Newspapers throughout the United States reproduced under large headlines dispatches concerning the incident in Shanghai, and particularly the situation which occurred when Japanese troops pushed two blocks into the American Defence Sector of the International Settlement. Reports received by the State Department indicated that the Japanese do not intend to exploit the incidents which occurred during the course of their parade in order to impose new demands upon the Shanghai Municipal Council and indications confirm the impression current in American diplomatic circles that Japan will act with great prudence in order to avoid friction with the European powers and the United States.

American representatives at Shanghai and Tokyo had asked the Japanese authorities to ban the Japanese military parade in the International Settlement for fear that such action would be dangerous for foreign residents declared the Secretary of State, Cordell Hull, in an interview in Washington, Dec. 4. However, he added, "the parade took place even before we received an answer from the Japanese authorities."

Mass Meeting Demands Action on Flag Incident

"Determined" action by the Japanese Government to secure the settlement of the so-called "Maitland incident", of Dec. 3, was asked in a resolution adopted at a mass rally of Japanese residents at the Towe Theatre Chapoo Road, the following day. Adopted unanimously, after a number of addresses by Japanese civic leaders and eye-witnesses of the affair, a resolution was passed requesting the Tokyo Government to assume a determined stand and take all measures needed to secure a consideration of the incident by the British Government and people, by impressing upon them the outrageous nature of the affair.

Parade Through French Concession Abandoned

A proposed second Japanese military parade along the International Settlement and French Concession Bunds to the Nantao Bund for the following day was cancelled. It was stated at the Japanese press conference Dec. 4 that the parade had been cancelled owing to the Nanking Road affair the previous day.

Questioned by foreign correspondents as to whether or not the French authorities had refused to permit the planned parade, the spokesman stated that no such refusal had been received.

He declared that the Japanese had merely suggested that they might like to hold such a parade and that the French had replied that it was against ordinances of the French Concession to permit parades of a military nature.

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Although no parade took place, the Japanese made a another gesture. As a result of 40 minutes negotiations by the French and Japanese consuls-general, a serious impasse was avoided the following morning when some 40 Japanese soldiers escorting five supply trucks were allowed to pass from Hongkew and the Settlement through the French Concession into Nantao at 11.10 o'clock after being stopped at 10.25 a.m. Led by two French police motorcycles and a Nipponese official car carrying Chief Inspector A. Morest of the French Police and Captain Haseba, commanding the supply detachment, a military car and five trucks passed along the French Bund and into the Japanese-controlled Chinese City.

Japanese Patrols Invade British Defense Sector

Japanese patrols were seen this week in the vicinity of Brenan Piece, located near the Jessfield village at the intersection of Brenan, Robinson and Jessfield Road. An extra-Settlement road area, the district is inside the British defense sector.

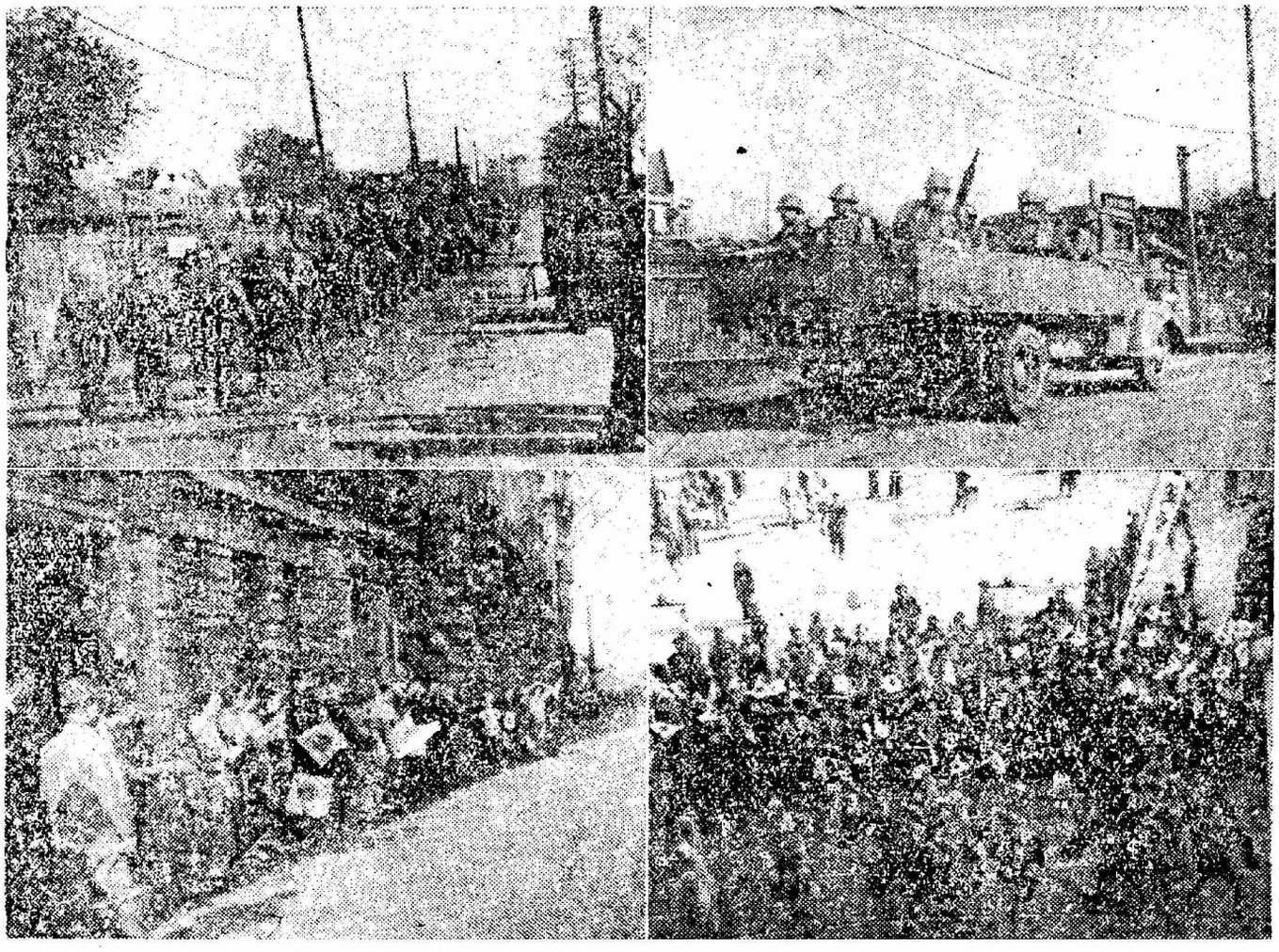
destruction of the neutrality of the International Settlement.

Japanese Authorities Make Four Sweeping Demands on Settlement Authorities

It transpired early this week that the following four demands were made by the Japanese authorities to the Shanghai Municipal Council in connection with the "victory march" through the Settlement by Japanese troops last week:

1. The Japanese troops, when necessary, shall be allowed to pass through the International Settlement any time without advance notice to the Council;
2. The Council shall hereafter take energetic steps to prevent a recurrence of such unfortunate incidents;
3. In the event of a recurrence of similar incidents, the Japanese Army will take independent and effective measures; and
4. To help the Council in maintaining peace and order in the International Settlement, the Japanese Army, when it considers necessary, may taken independent steps to investigate and examine suspects and otherwise act within the Settlement.

JAPANESE CIVILIANS TURN OUT TO WELCOME JAPANESE TROOPS



The pictures at the top show Japanese artillery and mounted anti-aircraft units entering the western or residential district of the International Settlement. The pictures at the bottom show Japanese civilians welcoming the Japanese troops as they passed through the Settlement streets.

Japanese Soldier Assaults British Fire Brigade Officer

A foreign sub-officer of the Shanghai Fire Brigade, (F. C. Molineux) while on duty at a serious blaze in Yangtszepoo on Friday, was twice assaulted by a Japanese soldier who interfered with the work of the Fire Brigade in other respects as well.

Chinese Authorities Regret "Weak-Kneed" Attitude of Shanghai Municipal Council

A spokesman of the Chinese Government in Hankow, in a press innterview Dec. 2, expressed regret at the "weak-kneed" attitude of the Shanghai Municipal Council in allowing the Japanese to extend their control to various Chinese administrative offices in the International Settlement. This attitude, he stated, meant the

An official statement was issued by the Shanghai Municipal Council Dec. 4 declaring that no agreement was entered into on the night of December 3 between the Commissioner of Police and Japanese military representatives. A document, it was stated, had been drawn up by Japanese officers setting out the points made by the Japanese Commander-in-Chief's representative in a conversation which he had with the Commissioner of Police before the withdrawal of Japanese troops from Nanking Road. The Commissioner of Police thereupon emphasized that he had no authority to enter into any agreement, and in order to make it clear that the document in question did not purport to be an agreement he endorsed it to the effect that he had read and understood the document and would bring its contents to the notice of the Council. The Commissioner of Police also emphasized that he could make no agreement with regard to the passage of Japanese troops through the International Settlement.

Japanese soldiers pose behind the barricades in [illegible] Concession barricades originally constructed and held for many weeks by the Chinese forces.

Japanese Arrest Five Chinese in British Hotel in Defiance of Municipal Regulations

Following not long after it was made public that among other demands which had been made upon the Shanghai Municipal authorities by the Japanese authorities that they would, if it was considered necessary, take independent steps to investigate and examine suspects and in general act on their own initiative in the Settlement, a group of 12 Japanese armed consular police, some in uniform and some not, proceeded in two automobiles to the British incorporated Wing On Building in Nanking Road, where the Great Eastern Hotel is located, and took into custody five Chinese, four men and one woman, and took them under armed guard to the Japanese military headquarters in Hongkew for questioning.

A report of the incident was made by the manager of the hotel to the Police, who up to that time knew nothing of the event. The regular procedure has always been that the Municipal Police should be informed of such contemplated arrests in advance, in which case a representative of the Municipal Police accompanies the Consular officers when the arrest is made. The Chinese in question were released after questioning.

The apparent object of the arrest was to make enquiries as to whether the five were in some way connected with certain alleged anti-Japanese activities. However, it is quite probable that the arrest was merely a maneuver on the part of the Japanese authorities to find out what the reaction to such an unauthorized move would be.

The Shanghai Municipal Council has made a formal protest to the Consular Body concerning the incident.

Japanese Newspaper in Shanghai Savagely Attacks French Concession Authorities

In a bitter attack on the authorities of the French Concession, the *Shangcai United News*, a Japanese daily, Nov. 29 asserted that anti-Japanese activities are being continued in the French-governed area without hindrance. Requests made by the Japanese for the suppression of the anti-Nipponese movement have failed to bring about an improvement in the situation, the daily added.

"Indignant at the attitude of the Concession authorities," the daily said, "many Japanese officials advocate the arrest of anti-Japanese agents by Japanese police, if the French authorities continue to ignore these activities."

The Shanghai Municipal Council, the ournal declared, has complied with the requests of Major-Gen. Kumakichi Harada, military attache to the Japanese Embassy and Consul-General Suemasa Okamoto for the suppression of the anti-Japanese movement.

No such action was taken by the authorities of the French Concession, the Japanese paper declared.

Reports received by the journal from "reliable sources" showed that T. Y. Chang, secretary of O. K. Yui, former Mayor, is still residing in the French Concession and maintaining liaison with his superior, who has gone to Hongkong. Moreover, the daily charged, spies directed by the Information Section of the Military Affairs Commission are active in Frenchtown. The Concession, the daily alleged, has "hitherto been regarded as the cradle of the anti-Japanese movement."

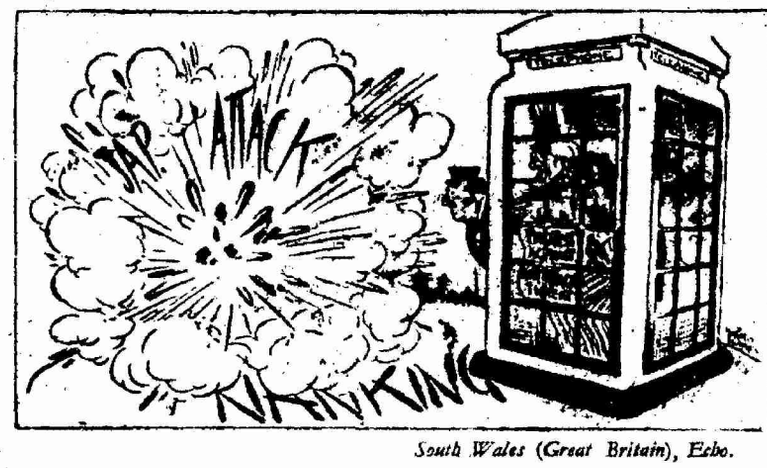
Japan May Use Customs as Bargaining Weapon, London Financial Paper Says

In a lengthly review of the prospects of Far Eastern securities, the London *Financial News* Dec. 4 expresses the opinion that Japan will possibly use the foreign loan service of the Chinese Maritime Customs as a bargaining weapon with the Powers to gain acquiescence to her demands in China. Regarding fears for default of Japan's loans, the newspaper says that the possibility does not exist. Japan would never be able to finance large-scale development of her mainland conquests if she were to destroy her financial credit in the West. It is also to be remembered, the journal points out that more than half of Japan's foreign debt is held by her own nationals, and it is safe to say that they also have a healthy slice of the Customs loans.

China's Export Maintained in Remarkable Degree

Reviewing the Chinese Customs returns, the *Manchester Guardian* emphasized the remarkable expansion of China's exports from the beginning of the war. The journal stressed the fact that the remarkable drop in Germany's China trade, both in imports and exports, is far heavier than that of America and Britain. "Despite heavy losses as the result of the war," the *Manchester Guardian* declared, "China's trade for the first nine months in 1937 has been maintained to a remarkable degree, further reducing her adverse trade balance by nearly $42,000,000."

JAPAN REPLIES TO ANGLO-AMERICAN PROTESTS



South Wales (Great Britain), Echo.

Japan Wants to Settle With China Direct on Local Customs Issue

The Japanese Government, the Tokyo *Asahi* declared in a leading article Dec. 2, maintains that the Chinese Maritime Customs in Shanghai is a Chinese Government organ and that, therefore, the question of the Japanese taking over the Customs should be solved through direct negotiations between China and Japan.

Japan will adhere to the principle of rejecting interference by a third power.

Japan cannot consent to the establishment of a commission including representatives of a third power to discuss the Chinese Customs issue, the *Asahi* said.

Left—The concentration camp in the International Settlement where the famous "Lost Battalion," which held out in the godown on Soochow Creek, is planning to spend the winter. Right—Where some 5,000 Chinese refugees and wounded soldiers who died in the International Settlement, are buried.

One Hundred and Seventy-Five Registered Refugee Camps in Shanghai

There are at the present time some 175 registered refugee camps in the International Settlement and the French Concession, with approximately 137,000 destitute people. In the Nantao Safety Area, there are between 200,000 and 250,000 refugees. Therefore it is safe to say that nearly 300,000, if not more, will need food and shelter during the coming winter. In addition, many thousands are sleeping on sidewalks, in alleyways, and are not registered. There are still a little less than 5,000 wounded soldiers in the various emergency hospitals in the two foreign-administered areas in Shanghai.

Refugees have been dying at the rate of at least 50 per day, if not more. With the coming of cold weather, it is feared that the death rate will increase by leaps and bounds. Between Aug. 13 and the end of October, the Pu Shan Public Cemetery picked up 5,000 dead refugees in Shanghai.

Owing to the changed military situation here, many Chinese have left Shanghai. Thus it is getting increasingly difficult to obtain large gifts in the city. With trade almost paralysed, and the industrial districts still closed, it is not likely that Shanghai will be able to shoulder much financial burden for refugee work this winter.

At the minimum rate of $3.00 per refugee per month, the Shanghai International Red Cross will need at least $1,000,000 a month to merely feed the present number of refugees in the city.

Up to this time, the following large donations have been received from foreign sources: American Red Cross, $15,000; British Relief Fund for China, $50,000, China Famine Relief, Inc. $90,000.

The refugees situation in Shanghai has been aggravated by an epidemic of measles, especially rampant among children.

Term of Red Cross Drive Extended One Week

The Red Cross contributions drive in Shanghai, originally set to close on Dec. 7, was extended for one week, owing to the fact that contributions came in so slowly that the objective of $100,000 was far from being reached. A benefit concert was held at the Metropole Theatre Dec. 8.

British Plane Fired on Near Hongkong—Afterwards Crashes

An airplane belonging to the British Aircraft-carrier *Eagle* (c. 600 tons) was fired on Nov. 30 by an unidentified warship. The incident, occurred 40 miles southeast of Waglan Light. No damage was suffered by the plane, or by the airmen aboard. At the time of the incident the *Eagle* was engaged in exercises. The plane involved, after emerging from a cloudbank, dropped a smoke-float to ascertain the direction of the wind. The smoke-float landed near an unidentified surface vessel, which, evidently under the impression that she was being bombed, immediately opened fire.

"Eagle" Plane Crashes, Is Lost; Pilot Rescued

Flight Lieutenant J. D. Miller, attached to the aircraft-carrier *Eagle*, which has been carrying out exercises off Hongkong, crashed in attempting to land on the vessel Dec. 1. The pilot was rescued, but the plane was lost.

Moscow Paper Criticizes Attempts of English Conservatives and German Fascists to Reach an Agreement

In an article devoted to Angle-German negotiations, *Izvestia* Nov. 27 prompted adherents of peace to meet with a necessary vigilance the attempts of English conservatives and German fascists to reach an agreement.

Japanese Consul Denies Giving Warning to Hongkong, But Admits Making Protest

A Japanese news agency report published in Tokyo to the effect that he had given a "warning" to the Hongkong authorities was emphatically denied by the Japanese Consul-General in Hongkong Dec. 2 when interviewed by *Reuter*. "I have been definitely misquoted," he said. "Yesterday," the Consul-General declared, "I protested to the Colonial Secretary regarding threatening letters received by stevedores and by various Chinese concerns who were dealing with Japanese companies. These letters had emanated from secret societies, and I merely drew the attention of the Hongkong Government to the fact that unless these practises were stopped Anglo-Japanese relations might be prejudiced."

According to the Japanese news agency report, the Japanese Consul-General in Hongkong drew the attention of the Colonial authorities "to the fact that a number of Chinese Government leaders who have recently been entering and leaving Hongkong have been engaged in political activities there against Japan." The Japanese Consul-General, the report added, requested a complete suppression of these activities, and delivered a warning that if the Colonial authorities tolerated them any further "Hongkong might eventually be involved in the current Sino-Japanese dispute."

Bitterly attacking the alleged use of Hongkong as a Chinese base for the importation of arms and the dissemination of propaganda, leading Tokyo papers Dec. 4 warned that the situation might give rise to a "new question."

It would be "wise" for Britain, the *Miyako* a leading Japanese paper said editorially, to renew her friendly relations with Japan, "if Britain desires to restore her waning influence in China"

Britain Pushes Reermament Program to Meet Far Eastern Crisis

Despite the recent aggressive Japanese incidents in the Far East, the British Government authorities told the *United Press* on Dec. 6, that the empire would not consider retaliation against Japan at least until April. By April, the empire's huge rearmament program was to be achieved and British Navy made equal to any possible opposing combination. Therefore, it was believed, the present policy would be to attempt conciliation with Japan hoping to prevent overt Japanese acts against Hongkong. Reports made by British Army and Navy leaders to the Cabinet indicated the belief that Britain at the present time would be unable to engage in armed action in the Orient and the same defend her European interests. Officials said there was not one chance in a million of Britain's involvement in military or naval action in the Orient just now The millionth chance would be action in collaboration with Russia in attacking Japan.

In such a case, it was believed Britain would furnish munitions designs for guns and airplanes and financial assistance to Soviet Russia, while the Royal Air Force could cooperate with the Soviet Air Force, operating from the Vladivostok air base.

Hankow Official Circles Criticize Italy's Recognition of "Manchukuo"

Official quarters in Hankow this week expressed disappointment at the formal recognition of the puppet "Manchukuo" by Italy. It was pointed out in Hankow that Italy's recognition of Manchukuo is not only detrimental to Sino-Italian friendship but is also in violation of the resolution adopted by the League of Nations for the non-recognition of the puppet State.

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German Ambassador Returns to Hankow After Fruitless Negotiations

The German Ambassador, Dr. Oskar Trautmann, returned to Hankow, Dec, 4, in a Customs cruiser from Nanking, where he had been having conversations with General Chiang Kai-shek, with a view to arranging peace between China and Japan. He was accompanied by Dr. Hsu Mo, the Chinese vice-Minister for Foreign Affairs, who had gone with him to Nanking. It is understood from authoritative sources that "nothing definite" emerged from the conversations at Nanking.

General Chiang Kai-shek is reported to have maintained that peace negotiations were impossible so long as the Japanese forces continued to exert armed pressure against China.

Hitler Hopeful Germany Can Aid Establishment of Peace in Asia

Reichsfuehrer Adolph Hitler is "hopeful" that Germany can contribute toward the establishment of peace in east Asia, "in co-operation with Japan," he told Ichiro Hatoyama, Japanese envoy-at-large, who called on him in Berlin Dec. 1. Mr. Hatoyama's conversation with Herr Hitler followed the visits of Viscount Mushakoji, Japanese Ambassador to Germany, and Takuo Godo, former Minister of Commerce and Industry, who is now a Japanese good-will envoy to Europe.

Thanks for Germany's friendly attitude in connection with the China incident were expressed by Mr. Godo, who appealed to Herr Hitler for his closer co-operation in the future relations between Japan and Germany.

In his talk with Mr. Hatoyama, who is a leading member of the Seiyukai, one of the two major Japanese political parties, Herr Hitler voiced his gratification over the strengthening of the world's anti-Comintern front by the tripartite pact linking Japan, Germany and Italy.

The German offer for peace between China and Japan included:

1. A definite assurance from Japan that she has no territorial ambitions in North China, and merely desires economic co-operation with China.
2. China should participate in the anti-Comintern pact.
3. Japanese troops should be withdrawn from Chinese territory.

These minimum peace terms, said to have been arranged by Germany, represent a distinct concession compared with the original terms laid down by Japan, which included the retirement of General Chiang Kai-shek, the dissolution of the Kuomintang, the disbandment of China's armed forces, and other severe political conditions.

China, it was pointed out in Chinese circles in Hankow, never wished to go to war with Japan, and always clearly indicated that she was ready to settle her differences peacefully if Japan were to respect her territorial and administrative integrity. Since Germany has now offered to act as a mediator, China is naturally willing to discuss the situation.

Chinese leaders in Hankow, however, placed very little hope in a successful conclusion to the present conversations in Nanking, as it is doubtful, they contend, if the offer is sincere. They also express the belief that it may possibly be an attempt to alienate the support which China is at present receiving from the signatories of the Nine-Power Treaty and from the Soviet.

At the same time, the Chinese leaders are disappointed over the lack of immediate and effective material assistance from these sources. They would, they say, welcome a formal declaration of sanctions against Japan, or a declaration of war against Japan by the Soviet. Nevertheless, it was freely admitted that the realization of both possibilities is very remote.

Germany Wants Peace Because of Economic Interests, Says Chinese Newspaper

The *Ta Mei Wan Pao* commented:—The conditions set forth by the Japanese as a basis for peace discussions are: (1) The organization of an autonomous government in North China, with Japanese advisers; (2) the establishment of a Japanese Concession in Shanghai; (3) the revision of Chinese Customs tariffs, and other political and military conditions. Understanding this situation, it is not difficult to believe the real motives of the "anti-Communist" allies. As General Chiang Kai-shek has well said, "Compromise at the present time is no different from surrender."

"Why does Germany want to mediate for a settlement at this time? Principally because of her economic interests in China. During the past few years China has become one of the important countries in German foreign trade. Following the outbreak of the Sino-Japanese hostilities Germany, unlike Italy, did not take definite sides with Japan. It must be said that Germany has so far expressed, verbally, sympathy with China. As to her definite actions, she has assisted Japan. Though German relations with China are evident, we must not be misled into believing that the friendly Sino-German relations will alter Germany's policy in relation to Japan, who is her ally. Germany's attempt to mediate for peace is an attempt to maintain the victory which Japan has so far attained, because if the war carries on it will be difficult for the Japanese to maintain their gains. As Japan is Germany's ally in the Far East for an attack upon Soviet Russia when the time comes, it is but natural that Germany will protect Japan's interests and Japan's military strength in the Far East."

China Willing to Negotiate Peace on Certain Terms

The willingness of the Chinese Government to negotiate with Japan was hinted at by the Governor of Kweichow and former Minister of Industry, Wu Ting-chang, in a special interview granted to a *Transocean* representative at Hankow, Dec. 4. Queried concerning the possibility of mediation by a third power, Wu Ting-chan replied that China would not decline such an attempt provided that the Japanese.

Gaimusho Denies Peace Parley Reports

The Tokyo Foreign Office Dec. 4 officially denied a *New York Herald-Tribune* report that Japanese-German negotiations were under way looking towards giving the Germans a foothold in Shantung in return for Japan obtaining permanent title to the mandated South Pacific islands. The Gaimusho also expressed the belief that an earlier story regarding purported negotiations between Herr Oskar Trautmann, German Ambassador to China, and Generalissimo Chiang Kai-shek, was simply propaganda designed to convince Japan that Germany was intervening when Japan recently emphasized that intervention was not wanted.

Panchen Lama Dies in Exile in Western China

The Panchen (Tashi) Lama, spiritual ruler of Tibet, died near Jyekundo, western China, on November 30 after thirteen years' exile, it was recevealed in New Delhi, Dec. 3. Born in Inner Tibet in 1883, the Panchen (Tashi) Lama first made contact with the outside world, when in 1903, he visited India and met the then Prince of Wales (later King George V) while the latter was on a tour of the British Empire. On his return to Tibet a year later, he introduced a number of educational and administrative reforms which.

About this time, the Manchu Government of China was making strenuous efforts to subdue Tibet, despatching an army of soldiers from Szechuen province to garrison the country.

The Manchus announced the appointment of the Panchen Lama as temporal as well as spiritual ruler of the country, and although he declined the post, he moved to Lhassa, the Tibetan capital, from Shigatse, his seat of authority. This led to a quarrel with the Dalai Lama, who feared that his authority was about to be usurped.

The overthrow of the Manchu Dynasty in 1911 had immediate repercussions in Tibet, which was plunged into disorder by a revolt of the Szechuen garrisons, who were thus no longer available to uphold the Panchen Lama's position.

During the next thirteen years, the new Chinese Republic was too preoccupied with internal affairs to pay much attention to Tibet, but the Panchen Lama contrived to maintain himself, although insecurely, until 1924 when his pronounced pro-Chinese leanings precipitated an open breach with the Dalai Lama and he was compelled to seek refuge among his Chinese friends in Peiping.

Although it was announced that he had gone to China at the request of the Tibetans on a mission of peace, the announcement was recognized (according to *Reuter*) as being merely a "face-saving" device. For some twelve years, he lived mostly in China or Mongolia.

Following the establishment of the National Government at Nanking in 1927, the Panchen Lama was invited to visit the capital, where he was received with honor by Government leaders and given several important posts, including membership of the Chinghai (Kokonor) provincial government and of the Mongolian and Tibetan Affairs Commission. In 1934, he was appointed Cultural Commissioner for the Western Border and a member of the State Council.

Although Buddhists in Mongolia, Kokonor and Tibet regarded him as a demi-god, he spared no pains to impress on the Chinese his personality as a human being, shaking hands in Western style, making political speeches whenever occasion offered and always welcoming opportunities to meet journalists.

The death of the Dalai Lama in December 1933, seemed to pave the way for his return to Tibet and, with Chinese support, he immediately began preparations for the journey. At the same time, the Chinese Government prepared to renew Chinese intervention in Tibet.

Gen. Huang Mo-sung, then Chairman of the Mongolian and Tibetan Affairs Commission, was sent to Lhassa, ostensibly to represent China at the Dalai Lama's funeral, but in reality to study conditions there.

He reached Lhassa in August 1934, and remained there for three months. When he arrived back in China, he reported that conditions were ripe for the Panchen Lama's return.

Difficulties, in the shape of continued opposition to his return by a section of the Tibetans, delayed him, however, and the spring of 1937 found him still lingering at Yushu, on the Kokonor-Tibetan border, with his escort of Chinese soldiers.

Siam Signs New Treaties

Siam, whose avowed policy is one of strict neutrality and equal treatment of all other nations, signed new treaties with Japan, Great Britain and France, Nov. 23.

83-076

Gen. Han Fu-chu Continues Preparations to Resist Japanese

Japanese property in Shantung is being looted by the Shantung Provincial troops, despite Gen. Han Fu-chu's threat of capital punishment for the offense foreign travellers arriving in Tientsin from Tsingtao reported Dec. 7.

First attempts to loot Japanese property were registered soon after Nov. 15, when the great iron bridge over the Yellow River was blown up by the Chinese troops in an attempt to stem the oncoming Japanese tide, the travellers said.

Although most of the officers and men of the Shantung Provincial Army have been transferred to Taian, Gen. Han, the reports said, still remains in Tsinan. The provincial capital has, however, been denuded of its population, which has fled to Tsingtao.

Most of Tsingtao's population the arrivals said, have meanwhile departed for the south aboard foreign ships. Unpaid for months, the 3,000 members of the Peace Preservation Corps, according to Japanese reports, have reportedly stolen cotton stored in Japanese textile mills and sold it openly at the market at prices much below the prevailing rate.

Until Nov. 17 irregular service was being maintained on the Kiaotsi Railway, but after that date the service was suspended along the entire line.

With the threat of hostilities sweeping over t province becoming more real, every day Gen. Han w reported to be besieged by representatives of religio organizations and agricultural guilds with appeals cease war.

Remaining adamant, Gen. Han was, however, reported by the travellers, to be continuing his preparations to resist the Japanese advance.

Japanese Planes Drop 100,000 Handbills Urging Chinese to Disband

Japanese warplanes Dec. 3 dropped 100,000 handbills on Chinese troops of the Shantung Army south of the Yellow River, urging that they stop resisting and return to their homes, "to save Shantung from destruction.

Gen. Shih Yu-san's Pao-an-tui Carry Out Surprise Attack at Taming

A *Kwo Min* message from Sinsiang, Dec. 1 stated that 3,000 Japanese troops stationed in Taming city, were attacked by units of the pao-an-tui under General Shih Yu-san. Taking the Japanese by surprise, the Chinese units inflicted heavy losses on them and captured a quantity of rifles and ammunition

Japan Now to Import 250,000 Piculs of Cotton from Hopei Province

Japa has decided to import 250,000 piculs (eqeivalent to 6,614,000 bales of 500 pounds each) of North China cotton for the time being, according to a report submitted to the Japanese Cabinet recently by Masao Taki, president of the Planning Board, *Domei* reports. He also reported that export and import associations will be established in North China and Japan to handle the cotton purchases and that the Bank of Chosen will lend Yen 30,000,000 to the Hopei Provincial Bank to finance the deals. It was originally planned to buy 1,000,000 to 1,500,000 piculs of North China cotton this year.

However, according to the Tokyo *Miyako*, the purchase of a large quantity of raw cotton in North China this year by Japan is almost hopeless. The proposal has been discussed seriously in connection with relief of Chinese farmers in North China, who have suffered severely from floods and war devastation. One of the factors unfavorable to the cotton purchase project is the difficulty in restoring railway facilities in the region. The Peiping-Suiyuan and Tientsin-Pukow railways have recently been opened by the North China office of the South Manchuria Railway Company, but, because of the activities of remnants of Chinese forces in the interior, financial difficulties and defective communications, the purchase plan will not be carried out satisfactorily, the *Miyak* added.

S. M. R. Anxious to Manage North China Development

A message from Dairen, Nov. 16 to the *Osaki Mainichi* said that with a view to persuading the Tokyo government authorities that the South Manchuria Railway Company is most suitable for the economic development of North China, Governor Yosuke Matsuoka of the company hastily dispatched Directors Kanji Usami and Toshinori Nakanishi, who take charge of the North China business of the S.M.R. and the control of its subsidiary companies, respectively and some leading staff members, to Tokyo.

Tientsin Peace Commission Abolishes Nanking's Duties on Many Articles

The *Japan Advertiser* last week reported that the Tientsin Peace Maintenance Commission has abolished the Nanking Government's Customs tariffs in that region, reducing to a minimum the rates on rice, wheat flour, sugar, tobacco, cement, cereals, galvanized sheets and aquatic and petroleum products. As reported previously, the rate on imports of sugar has been fixed at Yen 4.80 per 100 kin and that on imports of wheat flour is only 10 sen per sack. Flour imports are almost free, as the charge is made in the name of a consolidated tax.

It is pointed out by the Japan Chamber of Commerce that the Manchukuo tariff rates should be made as small as possible and that duties on daily necessities and machinery should be set at the lowest point.

Japanese Newspapers Criticize Chinese Use of Hongkong as "Base"

Bitterly attacking the alleged use of Hongkong as a Chinese base for the importation of arms and dissemination of propaganda, leading Tokyo papers Dec. 4 warned that the situation might give rise to a "new question." "There is little doubt," said the influential *Asahi* "that the Japanese control over the Shanghai area has brought security of life and property to foreign residents, gave China a chance to realize the failure of her anti-Japanese policy, and supplies Britain with an opportunity to change her attitude towards Japan.

"It is also undeniable that as the result of the utilization of Hongkong for military purposes, China has abandoned her desire for saving the situation and Britain has sown seeds of discord between herself and Japan. "Considerable harm," the daily concluded, "has already been done to the traditional friendship between the two nations." "It would be 'wise' of Britain," the *Miyako*, another leading paper said editorially, to renew her friendly relations with Japan, "if Britain desires to restore her waning influence in China."

Canton-Hankow Railway Damaged by Bombers

Japanese bombing planes heavily damaged tracks of the Canton-Hankow Railway at Yuantan, Yinchanyao and Chungtien in Kwangtung Province at 8:30 a.m. Dec. 4.

Mussolini Recommends that China Should Sue for Peace with Japan

A hint that China had better appeal to Japan for peace while she can still get good terms is given in an unsigned article in Signor Mussolini's newspaper. Il *Popolo d'Italia* Dec. 1. Understood to have been written by Il Duce himself, the article says that if China still believes in any assistance of a collective character, it means that she has vowed herself to suicide, "for clearly Japan will win all battles and compel China to surrender." Now that collective action has again failed, the article proceeds, all that remains for China is to ask Japan for peace terms, which may be less hard than she may have thought. In view of recent contacts between Signor Mussolini and distinguished Japanese visitors, it is thought that this hint may be politically significant.

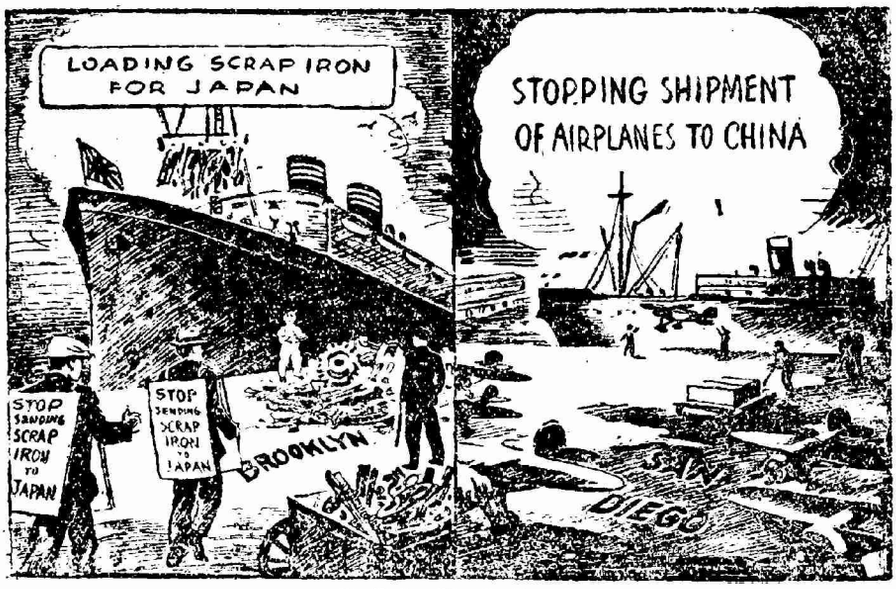
Japanese Occupy Dr. C. T. Wang's Honan Coal Mine

According to a *Domei* message from Tientsin on Dec. 3 a Japanese contingent commanded by a Captain Morita, occupied the Liu Ho Kou Coal Mining Company, Ltd., and the Kwantaichen coal mines located some 20 miles west of Fenglochen on the Peiping-Hankow Railway in northern Honan. The Liu Ho Kou mines, operated by a Shanghai company of which Dr. C. T. Wang, now Ambassador at Washington, is president and managing director, are said to produce the best grade of anthracite coal in north China. The mines were defended by some 2,000 Chinese troops but were unable to withstand the Japanese artillery and armored cars.

Foreign Secretary Eden Bombarded with Questions on Shanghai Situation

"The International Settlement is in a very difficult situation today. That is certainly and unhappily true," Anthony Eden British Foreign Secretary, who was bombarded with questions, stated in the House of Commons Nov. 23. Mr. Eden said he understood that the Japanese authorities were discussing with the Municipal authorities various matters which came under the head of suppression of anti-Japanese activities and Chinese Government organizations in the Settlement. It was too soon, he added, to state the result of the discussions, which were continuing.

HOW AMERICAN NEUTRALITY REGULATIONS WORK


LOADING SCRAP IRON FOR JAPAN
STOPPING SHIPMENT OF AIRPLANES TO CHINA
STOP SENDING SCRAP IRON TO JAPAN
BROOKLYN
SAN DIEGO

By K. L. Eng in the Christian Student, New York.

American Diplomats Study Possibility of Japan Declaring War on China

American public opinion has been again attracted by the situation in the Far East, diplomatic circles in Washington showing some uneasiness over reports from Tokyo that a declaration of war by Japan may be contemplated in the near future. It seems that such an initiative would raise important problems for the American Government, especially in relation to the application of the neutrality law. It is believed that President Roosevelt has decided not to invoke the neutrality law in order to allow China to continue to receive supplies of arms and munitions from the United States.

According to information from Tokyo, the Japanese military authorities (according to *Havas*) would plan to raise a complete blockade following the declaration of war, and the possibilities of incidents between the United States and Japan would be increased, for the United States has always refused other nations the right to stop American ships.

U. S. Air Base Established on Japonsky Island, Alaska

High naval officials in Washington Nov. 23 disclosed that an air base has been established on Japonsky Island, located in Sitka harbor, Alaska, and that the minesweeper *Lapwing* has already docked at the base with a garrison of 70 men and fuel and supplies for a squadron of six twin-engined patrol bombers. It was also revealed that a site has been laid out by the army for an air base in the Yukon valley near Fairbanks, Alaska.

Naval officials announced that the new air base in Sitka harbor will be conducted as an all-year experiment base and that a squad of from six to 18 naval planes will spend the winter there patrolling the Aleutian Islands and making surveys of the area.

Activities at the station have begun, it was stated, and temporary hangars, machine shops and living accommodations have already been erected. Daily weather reports are being wired to the island by Alaskan naval observers to facilitate the activities of the fliers there.

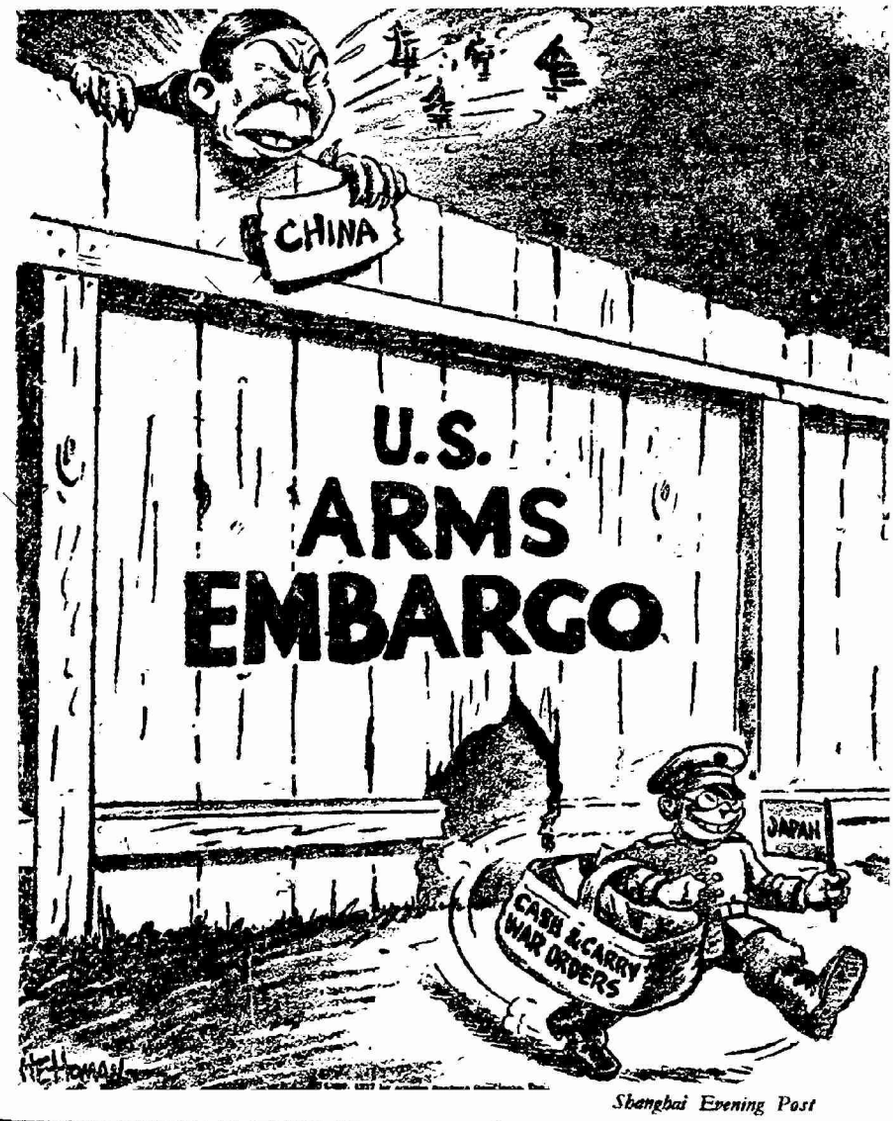
U. S. Naval Planes Conduct Surveys in Sitka

Navy Department officials in Washington, Nov. 24 asserted that stationing the minesweeper Lapwing and six patrol planes at Sitka harbor in Alaska is purely for training and scientific purposes. They explained that the expedition, comprising more than 90 men, will make aerological observations to supplement the reports from a naval party which recently established a weather observation post in the Aleutians. In connection with the War Department's reported decision to establish an air base in Alaska, it was understood here today that no provisions for the air base have been made in next year's budget.

U. S. Boycott Agitation Said Causing Decline in Retail Silk Sales

Agitation for boycotting Japanese goods was cited in New York this week as one of the factors leading to the current decline in the retail sales of silk, which has already caused some price cuts in an effort to revive business. The buying policy of big department stores in the New York metropolis, it is understood, depends on whether purchases pick up in the Christmas rush.

JAPAN BEATS U..S. NEUTRALITY SCHEME.



Shanghai Evening Post

Phillipines Not Now Desirous of Obtaining Early Independent Status

On arriving in San Francisco Dec. 4 from the Philippines, Harry Hawes, representative of the Philippines Sugar Association and former Senator from Missouri, told the press that he did not believe Filipinos were desirous of obtaining immediate independence. "They are better off probably than any other nation in the present chaotic world-wide conditions and they realize it," he declared. He disagreed with Senor Manuel Quezon's statement that the majority of Filipinos would welcome independence in 1938 or 1939.

America Takes Steps to Make Hawaii Defenses Impregnable

Defense measures to make Hawaii, the group of islands in the Pacific Ocean belonging to the United States, impregnable from land, sea and air are being taken by the United States, a *Reuter* message from Washington Dec. 5 stated. Work is said to be already in progress in connection with a five-year program drawn up by the Army and Navy authorities involving an expenditure of $20,000,000. In addition, $17,000,000 has been allotted for the construction of a huge airdrome, to be known as the Hickman Airfield, which will be one of the largest air bases in the world.

Earlier reports suggested that defensive measures on a moderate scale only would be undertaken in the Hawaiian Islands, but the latest information shows that the fortifications to be built will be on an imposing scale. The garrison has already been increased and now numbers nearly 20,000 men. It has its headquarters on the island of Oahu, on which the capital of the islands, Honolulu, is situated.

American Army circles emphasize that the measures were begun long before the Sino-Japanese hostilities. They, however, congratulate themselves on foreseeing a troubled period in the Far East, which makes it desirable to strengthen America's Pacific defenses, particularly as after America's withdrawal from the Philippine Islands a few years hence Hawaii will become the kingpin of the nation's defense system in the west.

The defense program for the Hawaiian Islands is believed to include the construction of underground chambers for the storage of munitions and oil fuel, emergency underground hangars for airplanes, and large barracks for a strong American garrison.

The Hawaiian Islands form a chain in the Pacific, eight being inhabited and the rest uninhabited.

American Naval Circles Said Pleased With Stiffening of British Attitude

Indications in London of the stiffening of the British attitude towards Japan were received with satisfaction in American naval circles, recent dispatches from Washington stated.

Diplomats, however, expressed anxiety and emphasized that public opinion is hardly prepared to support a demonstration aiming at making Japan understand that the Western powers are not ready to renounce their interests in the Far East.

Observers in Washington expressed the opinion that the isolation policy is still being supported by the majority of Americans despite certain articles appearing in the press of the Eastern states.

"COME OVER AND PROTECT US!"

Fitzpatrick in the St. Louis Post-Dispatch, U. S. A.

This cartoon was based on the news reports from Shanghai and elsewhere in China referring to the demands of Americans for protection as opposed to Washington's original plan to evacuate all Americans. The cartoon was headed, "Come over and protect our business—Shanghai American Chamber of Commerce."

FAREWELL TO ARMS

The Arizona Republican, Phoenix, U. S. A.

Members of League May Supply Arms to China

No arrangements would be published regarding the countries which had assisted or proposed to assist China by sending arms, declared Anthony Eden, the Foreign Secretary, in the House of Commons Nov. 24. Geoffrey Mander, Opposition Liberal member for East Wolverhampton, asked if it would be proper for any state which was a member of the League of Nations to supply arms to China at present under the Resolution of the League Assembly of October 6. Mr. Eden replied in the affirmative.

Prominent American Economist Says Britain Is Trying to Involve America in World War

Dr. Harry Elmer Barnes, historian and economist, predicted Dec. 5 a new world war within three years. The United States cannot remain neutral if the war continued for any length of time, he added. "Another factor pushing us into the war," Dr. Barnes said, "is English propaganda which has already started. England expects America to make the Pacific safe for the British."

U.S. Pilot in California Rejects China Service Offer

Walter P. Frick, University of California sophomore and a licensed aviator, stated in Berkeley Dec. 4, that he had rejected an offer to enlist with the Chinese air force at $200 per week. He remarked that student fliers were training there for service in China and that they were making solo flights after only ten hours of instruction.

Japanese Detained in Florida as Spy

Army authorities at Miami, Florida, Dec. 4, detained a Japanese spectator at the all-American air maneuvers. A motion picture camera was confiscated and the exposed film is to be developed before further action is taken.

Japanese Arrested in Massachusetts

Massachusetts police Nov. 12 arrested two Japanese mechanics for photographing Fort Ruckman, ungarrisoned cantonment on the north-east entrance of Boston Harbor. The men were later released subject to further questioning.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th issue of The Review.

Nov. 1.—Chinese line south of Soochow Creek remained intact despite heavy Japanese fire. Small Japanese units reached southern bank, but Chinese machine-gun posts held them in check along the edge of the creek.
Operations on Hsiaonanziang and other fronts inactive. No changes reported.
Japanese planes again flew over the International Settlement and the French Concession during bombing raids in western district. Several bombs were dropped near British defence posts on Keswick Road.
Japanese suggestion that British posts withdraw from Keswick Road sector was rejected.
Brigadier-General John C. Beaumont of U. S. Marines protested to the Commander of the Japanese Third Fleet against the action of a party of Japanese bluejackets in crossing Soochow Creek from Chapei and siezing a cargo of rice from some Chinese boatmen who were unloading the cargo in the American defence sector. Vice-Admiral Hasegawa expressed "sincere regrets"; rice cargo released.

Nov. 1.—Tinghsien, midway between Paoting and Shihchiachwang on the Ping-Han Line, reported recaptured by Chinese troops on October 29.
Tangying, 20 kilometers south of Changteh, northern Honan, bombed by Japanese planes.
58 civilians killed, 130 wounded and 246 houses demolished in Nanchang during 8 Japanese air raids since the outbreak of the war.

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Nov. 2.—Heavy rain and Chinese machine-gun fire checked Japanese drive south of Soochow Creek. It was revealed that isolated parties of Japanese crossed the Creek at four points, but due to Chinese attacks, were able to hold only the edge of the waterway. Japanese naval guns opened up on Pootung twice in the day.
Hungjao Village practically demolished by air-bombing; 150 Chinese villagers in western district killed during the bombing.

Nov. 2.—Three-week deadlock north of Taiyuan unbroken despite desperate Japanese attack against Chinese positions in Hsinkow mountains. Japanese troops in east Shansi making steady advance towards Taiyuan.
Fighting renewed in North Honan, where Chinese troops vigorously contested Japanese attempt to cross the Huan River to attack Changteh.
In Suiyuan, Japanese troops reported advancing from Paotow to Wuyuan, on the road to Ninghsia.

Nov. 2.—Waichiaopu (Foreign Office) spokesman issued long statement refuting allegations in the statement issued by Japanese Foreign Office on October 28 delivered to the Belgian Embassy at Tokyo in respect to Japan's refusal to attend the Nine-Power Conference. The Waichiaopu spokesman reviewed Japanese aggressive activities in China and declared that China was compelled to resist Japanese aggression.

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Nov. 3.—Rain prevented large scale operations on the Shanghai front. Despite severe fighting at isolated points south of the Soochow creek, the Japanese made no progress in their drive southward.
Rumor that Chinese troops were withrawing from Hungjao area denied.
The International Committee of the Chinese Red Cross Society headed by Father R. Jacquinot submitted proposals to the Chinese and Japanese military authorities for the establishment of a refugee zone in Nantao bordering on the French Concession.
The Chinese Shanghai Bankers' Association and Shanghai Native Bankers' Guild formally announced their severance of economic relations with Japan.
Japanese army spokesman declared that airplanes not bearing Japanese insignia flying over or near Japanese military or naval positions would be fired upon without hesitation. This declaration meant as a warning to planes of all nations.

Nov. 3.—Moral concern of Powers in Orient expressed at opening session of 9-Power Conference at Brussels. Anglo-American views said coinciding. French Delegate referred to massacres and atrocities. Italian delegate urged that "realities" had to be taken into consideration.
China to carry on resistance if Brussels Conference should fail, Nanking Central Daily News declared.

Nov. 3.—Chen Kung-po, former Chinese Minister of Industry, appointed by Executive Yuan as head of Chinese good-will mission to Europe.

Nov. 3.—Japanese troops in east Shansi captured Shouyang, on the Chengting-Taiyuan Railway, 33 miles east of Taiyuan. Japanese military authorities also claimed that Chinese troops holding out in Hsinkow mountains in north Shansi were abandoning their positions following fierce Japanese attack.

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Nov. 4.—Major battle south of Soochow Creek impending, as isolated Japanese units landed there had succeeded in forming a juncture. Hungjao area believed the immediate Japanese objective. Chinese troops rushing reinforcements to defend positions near Rubicon village.
The concentration of Japanese warships in the Whangpoo coupled with the presence of a large number of launches aroused much speculation, generally believed that Japanese might try landing at Pootung. More Japanese transports carrying fresh troops to replace casualties arrived at Shanghai. Total number of Japanese troops on Shanghai front believed now over 200,000.
Chinese City Government gave approval to the proposal of the International Committee of the China Red Cross to establish a refuge zone in Nantao. Japanese reported to have also agreed to the proposal in principle.

Nov. 1.—Japanese advance guard in Shansi claimed to have reached a point, 12 miles east of Taiyuan. Japanese troops advancing from the north reported capture of Chinese positions near Kuanchungchen, 20 miles Taiyuan. Japanese military spokesman at Peiping said: "The Chinese in Shansi furnished the most obstinate resistance in our experience in North China."
Capture of Changteh in northern Honan also claimed by Japanese troops operating on the Ping-Han Railway front.

Nov. 4.—Dr. Wellington Koo declared yesterday (November 3) at the Brussels Conference: "China wants peace, but she is determined to continue her resistance as long as the Japanese aggression persists."

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Nov. 5.—After heavy aerial and naval bombardment, Japanese blue-jackets succeeded in landing shortly after dawn at three small villages near Chapoo on the Hangchow Bay. The villages being Chingshanchiu, 30 kilometers northeast of Chapoo; Tsaochinchen, 10 kilometers further to the northeast, and Chuankungting. Heavy fighting started there continued whole day. Observers in Shanghai attached considerable significance to the Japanese landing there, as it might develop into a serious threat to Chinese positions in Pootung and Sungkiang.

Nov. 5.—On the Soochow Creek front in Shanghai, heavy rain continued to up operations.
Father R. Jacqunot, Chairman of the Refuge Committee of the Shanghai International Red Cross, announced that plans for setting aside the northern section of Nantao as a safety area for refugees had received finanl approval of both the Chinese and Japanese authorities.

Nov. 5.—Chinese forces from the north and east Shansi fronts reported concentrating in vicinity of Taiyuan, preparing to resist the impending Japanese offensive. A motorized Japanese column said to have reached Hsintientsun, 4 miles north of Taiyuan. Reuter reported the main Chinese forces have evacuated Taiyuan, while a rearguard of 5,000 troops was defending the city.

Nov. 5.—On Tsin-Pu front, severe fighting raging in northern Shantung.
On Ping-Han front, Chinese troops continued to hold the city of Changteh although Japanese troops were pressing close to it.

Nov 5.—Soochow, Tunghai, Canton and Chengchow raided by Japanese aircraft.

Nov. 6.—Nearly 3,000 Japanese troops had landed north of Chapoo on the Chekiang Coast and advanced seven miles inland. They were heading towards the bank of the Whangpoo River with Sungkiang as their objective. Heavy Chinese reinforcements had been rushed to the areas north of Chapoo to check the advance of the Japanese. Furious battle raged all day.
On the Shanghai front, no major changes reported in the positions of the Chinese and Japanese forces. According to foreign reports, the Japanese now had more than 8,000 troops on the south side of the Soochow Creek.

Nov. 6.—Japanese advance guard reached the north gate of of Taiyuan, Shansi capital, at 5.30 p.m. yesterday (November 5), according to Japanese military communique.
Severe fighting raging near Changteh, northern Honan, where the Chinese troops tenaciously held their line along the Anyang river.

83-080

Japaneso planes raided Yucheng, Tsiyang, Lingyien, Tsingcheng and several other cities in northern Shantung.

Nov. 6.—Chen Kung-po, China's Ambassador on a goodwill mission to Europe, left Hongkong November 5 for London by airplane of the British Imperial Airways.

Nov. 6.—Dr. Wellington Koo denied at Brussels the rumor that Germany may mediate in the Sino-Japanese conflict.

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Nov. 7.—General Chiang Kai-shek declared at Nanking that China would not favor direct negotiations between her and Japan, if such a proposal should come up at the Brussels conference. General Chiang reaffirmed China's determination to continue her resistance to the aggressor until the validity of international treaties is restored and international justice firmly established.

Nov. 7.—Chinese rushed more reinforcements to stem Japanese drive on Sungkiang from the coast, where fresh Japanese troops had landed. Japanese advanc guard reported to have reached the southern bank of the Whangpoo River near Sungkiang. Japanese report that their troops had already crossed the Whangpoo not confirmed by independent sources in Shanghai. Chinese military authorities also denied rumors that Chinese troops in Pootung were withdrawing, although they admitted that that replacements were being carried out.

On the Soochow Creek front, the deadlock persisted, the Japanese being firmly blocked from making any further advance.

Nov. 7.—53 Chinese civilians killed, 151 others injured and 96 houses demolished in eleven cities in Chekiang province which were raided by Japanese planes yesterday (November 6). These figures exceluded the casualties of the bombing of a Chinese Red Cross train for wounded soldiers at Kashan. Altogether 144 bombs were dropped during the raids. The Canton-Kowloon Railway and Tsiyang (Shantung) also bombed.

Nov. 7.—Japanese troops entered Taiyuan, Shansi capital, according to Japanese army communique. A Japanese cavalry unit first seized the North Gate of the city, which opened the way for an infantry advance. The Japanese were contested by the Chinese troops for every inch of ground gained. Fighting continued inside the city. One Japanese unit claimed to have reached Taiku, 30 miles north of Taiyuan.

Anxiety felt for the 12 British missionaries who still remained inside Taiyuan city.

More Details of Chinese Industrial Losses in Shanghai

In addition to the two previous reports about industrial losses in Shanghai, submitted to the Ministry of Industry by the Shanghai Chamber of Commerce, a third report was submitted to the authorities last week. This report gives details of the destruction to seven factories as follows:

Hwa Mei Tobacco Factory: Loss of $590,000.
Yung Ho Industrial Company: Loss of $390,000.
Hsin Chung Engineering Works: Loss of $129,500.
Hsin Fung Weaving Factory: of $81,500.
Yu Fung Silk Filature: Loss of $89,300.
Shuh Teh Company: Loss of $104,500.
China Ki Chi Yin Hwa Factory: Loss of $150,000.

More Than Half a Million Unemployed Workers in Shanghai

At least 663,000 people in Shanghai are now unemployed and have to live on funds supplied by relatives and friends, according to an estimate made by the International Relief Committee.

These luckless individuals, it is pointed out, should be distinguished from the refugees, of whom 137,000 are taken care of in 181 relief camps, while 75,000 still seek shelter in alleyways and empty houses.

Both groups, however, urgently require relief funds to tide them over the winter.

According to Dr. John E. Baker, the general secretary of the China International Famine Relief Commission, a monthly outlay of over $500,000 is necessary to keep the various relief camps going, but this expenditure is expected to reach the neighborhood of a million dollars during the winter months.

Suspension of Foreign Orders Causes Closing of Silk Filatures in Kiangsu and Chekiang

Owing to the failure of foreign orders to arrive, some 105 silk filatures in Kiangsu and Chekiang suspended operations recently, according to business circles here. This stoppage of operations has thrown more than 100,000 men and women out of employment.

Silver Agreement of 1933 Due to Lapse This Year

Renewal of the Silver Agreement of 1933, which will expire at the end of 1937, will not be attempted, but it will be allowed to lapse without further ado, says the London *Statist*.

The question of immediate import, the paper says, is whether the precarious equilibrium surrounding the market will be upset by the lapsing of the Agreement. This depends upon the American authorities and their readines to take additional supplies at the prices now ruling: this will only be decided by the personal reactions of a few individuals in the United States.

It may be assumed, the *Statist* declares, that the lapsing of the Agreement will immediately be reflected in larger offerings of the white metal on the world's markets. There is no question of the early disposal of the substantial amount of Chinese silver, which has recently been sent to London for safe keeping. There is little doubt, however, that, in the event of real pressure on China's exchange reserves, which may come soon, the Chinese authorities would be compelled to begin liquidation of this asset, especially as they would be no longer bound by the restrictive clauses in the Agreement.

Alarmed lest the 1933 Silver Agreement should not be renewed, and frightened by the possibility of China being forced to liquidate her huge stocks of silver in London, Indian bazaars and speculators in London Dec. 6, rushed to sell, with the result that the price of spot silver fell by one pence.

Chinese Currency Remains Stable Despite Hostilities

The currency situation in Shanghai has so far remained stable, states a Chinese report. According to this report the volume of legal tender notes in circulation here has shrunk somewhat to further strengthen the credit of Government banks. Meanwhile, the volume of notes issued by banks other than the Central Bank, the Bank of China and the Bank of Communications has remained more or less unchanged. The standard currency notes, it is also reported, are still being circulated in North China without depreciation. According to the yen exchange in Tientsin, one yen is worth over 90 cents of the Chinese standard currency, while the current quotation of the Hongkong and Shanghai Bank in Shanghai is Yen 101.50 to $100 legal tender notes. Meanwhile, the Chamber of Commerce in Shanghai has written to the Bankers' Assosiation, the Native Bank's Guild and the Guild of Money Exchange Shops here asking them to stop the opportunist practices of some financial houses to accept Weiwah cheques in exchange for cash at a commission sometimes as high as $20 for $1000. Such practices, it was pointed out, tend to undermine the stability of the currency situation.

Caustic Criticism of "N. C. D. News" Editorials Voiced by Correspondent

The following are extracts from a letter written to the *North China Daily News* by John B. Penniston Dec. 4:

"I cannot say that I am particularly favorably impressed by your editorials of December 2, in which in substance you said to the Chinese, "You are beaten so why not give up to the Japanese." That is not the way England fights her own battles, so why do you advise the Chinese to do that way. It is possible, the unhappy thought occurs to me, that you are trying to buy immunity from the anger of the Japanese militarists for British interests here in Shanghai at the expense of the Chinese. I hope you are not really as bad as that.

"The legal and moral aspects of the problem support us rather than the other parties. Nor can it be said that the cards are all stacked in favor of the Japanese. I suggest that, if we cannot take a public stand consistent with honor and dignity, at least we might keep our mouths shut. Certainly we should not betray our Chinese friends nor should we invite further encroachments by an unduly complaisant attitude."

General Chiang Kai-shek Urges Integrity and Loyalty Upon Officials

General Chiang Kai-shek issued a circular order to the Executive Yuan and the military and civil authorities in the provinces Dec. 5, reading as follows: "During the present period of resistance when the fate of the nation is hanging in the balance, all civil and military officials of whatever rank should specially manifest their loyalty and observe the virtue of honesty. Any official found guilty of avarice, corruption, embezzlement of public funds, detention of military appropriations, or extortion, will, upon discovery, be dealt with in accordance with military law and severely punished regardless of his rank, high or low."

How Japanese Control of China Will Menace U. S. Industries and National Defense

BY D. K. LIEU (劉大鈞)

(*China Critic, Nov. 25*)

IN the present age, when fascism and democracy have divided the world into two camps—the one pacifist and the other militant and aggressive—economic and political questions cannot be entirely separated. However, we will try to confine ourselves to a discussion of the economic significance of Japan's domination of China. What would be the effects on China and on the Powers that have economic relations with her, once Japan is in a position to dictate Chinese national policy?

China is not rich in all kinds of natural resources but she has in abundance some which Japan lacks, or does not have in sufficient quantities, notably coal and cotton. In iron and mineral oil she can also be a source of supply to Japan, provided she be not allowed to consume them for her own purposes. To meet her civil and military requirements, Japan must control these resources of China, as well as shape the course of China's economic development. This is why she must "beat China to her knees" when the latter, under the leadership of the Generalissimo Chiang Kai-shek, has embarked upon a program of national economic development. As, in one form or another, this is Japan's traditional policy towards China, she has always frustrated China's economic development, an outstanding instance being her obstruction to the program of the New Consortium for the construction of railways in China.

Japan is now importing large quantities of oil, cotton, iron ore, and iron and steel products from various countries, notably the United States. This leads some Americans to believe that, if China be developed under the guidance of Japan, American trade with the Far East would increase proportionally. In the replies to a questionnaire issued by the American Council of the Institute of Pacific Relations, the results of which were published in the June issue of *Pacific Affairs*, such a belief was expressed by some of the members. But they left Japanese fascism out of their calculation. Fascist Japan aims at economic self-sufficiency, and if she takes the trouble of "beating China to her knees" in order to control the latter's economic development, she is certainly not going to be so altruistic as to develop this country into a better market for American or other foreign products. China must primarily be the market for Japanese products, and her natural resources must be developed for the benefit of Japan.

How Japan Freezes Out Foreign Trade

As proof of the above statement, we need only compare Japan's trade with Manchuria with that of the United States. While the latter has increased since 1932 only some 30 per cent, in normal business, that with the former has increased three-fold. In 1931, Japan's trade with Manchuria was only about ten times as large as American trade with the same region, but now it is more than 15 times. What has happened in Manchuria will happen in China when Japan is in a position to control China's economic destiny.

At present China imports most of her motor cars from the United States, and the rest from Europe. The Japanese motor car industry is still a new industry, and the cost of production of Japanese cars is too high to compete with American and European cars in foreign markets. When China's economic policy is dictated by Japan, it would not be difficult to raise a tariff wall against the western models and reserve the market for Japanese cars. This is one of the industries which can be benefited by large-scale production, and the control of the Chinese market would make such production possible. At the same time Japan has been developing her machine-making industry in recent years. Her spinning machine is already underselling that from England and America in the Chinese market, and her silk-reeling basins are superior to those from Italy. A Japanese dominated China would afford a convenient outlet for the products of this industry, to the disadvantage of the American and European competitors.

Both China and Japan now import large quantities of American petroleum, because the former is not producing any oil while the cost of production in the latter country compares unfavorably with that in the United States. However, on account on its importance for military purposes, the oil producers and refineries in Japan are receiving special encouragement from the Japanese Government. A state monopoly has already been established in Manchuria, thus reserving the market for Japanese oil and shale oil from Fushun in the puppet state. It is estimated that the Fushun shale reserve amounts to the enormous figure of 5,400 million metric tons. Of this 200 million metric tons can be mined by the open cut system, in connection with coal mining without involving any extra cost. With such a tremendous reserve of shale, the production of oil in Manchuria is limited only by the available equipment for the extraction of oil from the shale, and by the market. With economic control over China, the market would be assured, and the equipment could easily be increased to meet the need.

Besides, in the provinces of Shansi and Shensi in North China, about 75 per cent of all Chinese coal resources are to be found. Shansi, Kansu, Szechwan and Sinkiang have also oil fields which have not been exploited. An American geologist who prospected the Shensi oil fields of China has expressed the opinion that those of Kansu, Szechwan and Sinkiang may be more productive. At present the exploitation of these oil fields, located at such great distances from the population centers and the distilling of oil from coal at low temperatures, are unprofitable enterprises the products of which can never compete with imported oil under normal circumstances. A fascist China, however, under the control of Japan, would tap these sources in preference to the importation of foreign oil, in order to attain self-sufficiency in the Japan-China-Manchuria Bloc.

The formation of such an economic bloc has long been attempted by Japan. Its aim is quite plain—economic self-sufficiency under a common fascist regime. Both China and Manchuria are to be exploited according to a Japanese plan and for her benefit. This is the meaning of "economic cooperation" with China, of "joint defence against communism." China of course would be the loser, but the other Powers that have trade relations with members of the bloc would also be vitally affected.

Under the plan, all basic industries in China and Manchuria will be controlled by Japanese interests; all factories catering directly to the needs of the army and the navy will be located in Japan; and China and Manchuria will primarily be suppliers of the necessary raw materials for the further industrialization of Japan with a view to making her militarily powerful and economically independent of other nations.

Cotton from China to Supplant American Staple

Japan is still importing large quantities of cotton, oil and iron and steel products from the United States. But China is the third largest cotton producing country in the world, and under Japanese control, she could easily supplant America as the supplier of raw cotton to Japan. Experiments with growing American long staple cotton in China have been quite successful in recent years, and one of the subjects of negotiation between Japan and the Hopei-Chahar Political Council before the conflict was the improvement of Hopei cotton under Japanese supervision. If the whole of China falls in with the scheme, the effect on American cotton exports to Japan as well as China can be easily foretold. On the other hand, if China develops her own industries for her own benefit, the standard of living of the Chinese people will naturally rise, her demand for cotton will grow in proportion to the domestic supply, and she will not only be unable to compete with America in the Japanese market, but will also continue to import American cotton herself.

China does not have much iron reserve, and her heavy industries are not developed. Yet by a loan contract with Japan, the Tayeh coal mine of China has been bound to supply Japan with so much iron ore every year. This is done under an arrangement made several decades ago. When "economic cooperation" is complete under the new plan of an economic bloc, all Chinese iron mines would send their ore to Japan, or supply it to Japanese iron works in China. In proportion to this supply will Japan be less and less dependent on imports of iron and steel products from other countries. In the same way, Chinese coal, antimony, wolfram and tin must first be supplied to Japan before other countries can have any share.

The economic significance of the Sino-Japanese conflict is therefore plain. China wants to control her own destiny in economic as well as political matters; Japan wants to control it for her under the guise of economic cooperation in a Japan-China-Manchuria Economic Bloc. China is trying to become a democratic nation, to develop her natural resources for the betterment of her people's livelihood, under Dr. Sun's Three People's Principles and General Chiang Kai-shek's People's Economic Reconstruction Movement; Japan is fascist and wants to exploit China for her own benefit, especially the benefit of her military leaders who wish to make Japan economically self-sufficient so as to be militarily powerful. A free China will develop foreign trade; China controlled by fascist Japan will reduce the trade of all foreign nations with the Far East. The door of China may not be entirely closed under Japanese domination, but there would be little space for other nations when Japan gets into the entrance.

Japanese Government to Issue Statement of Aims in China

With the fall of Nanking regarded as imminent, the Tokyo Government is considering the issuance of a statement emphasizing Japan's determination to secure her aims and objectives in China, a *Domei* message stated. The impetus for such a statement, it was added, has been supplied by the dissemination of various anti-Japanese rumors and foreign attempts to prevent the realization of these objectives

83-082

Japan's Adverse Balance Will Reach Yen 600,000,000

Despite heavy purchases abroad of raw materials for the heavy and munitions industries, Japan's adverse balance of trade for the year will total about Yen 600,000,000, Tokyo Treasury officials predicted Dec. 1.

Japan's imports exceeded exports by Yen 646,635,000 during the first 11 months of 1937, according to a trade report of the Finance Ministry Nov. 30. This figure compares with an excess of imports over exports of Yen 134,881,000 in the corresponding period of last year. Exports during the first 11 months amounted to Yen 3,034,865,000, while imports totalled Yen 3,681,500,000.

Foreign Exchange Control Tightened by Tokyo

Widening the scope of its financial program to meet the emergency situation, the Tokyo Finance Ministry Dec. 7 took steps to tighten its control of foreign exchange. The new control measures include the following: Imports exceeding Yen 100 in value a month must receive official approval so far as foreign exchange is concerned; business in connection with the control of foreign exchange on imports of less than Yen 1,000 will be transacted by the Foreign Exchange Bureau of the Bank of Japan: Japanese possessing assets and operating enterprises abroad must submit reports on such affairs to the Finance Ministry.

Details of Proposed 1938-39 Japanese Budget

Following are the proposed 1938-39 appropriations of the Japanese Budget, classified according to Government Ministries:

Imperial Household, Yen 4,500,000; Foreign Affairs, Yen 29,000,000; Interior, Yen 236,000,000; Finance, Yen 601,000,000; War, Yen 564,000,000; Navy, Yen 677,000,000; Justice, Yen 43,000,000; Education, Yen 143,000,000; Agriculture, Yen 108,000,000; Commerce, Yen 43,000,000; Communications, Yen 215,000,000; Overseas Affairs, Yen 25,000,000; Social Health, (newly organized), Yen 85,000,000.

Of the total amount, Yen 690,000,000 will be covered by a national bond issue.

The principal new projects for which appropriations were made are:

Self-sufficient industries for the manufacture of liquid fuel, Yen 7,872,000;

Reinforcement of the Foreign Office Diplomatic Staff abroad, Yen 154,000,000;

Emigration program, Yen 6,585,000;

Expansion of air services, Yen 2,757,000;

Training of aviation pilots, Yen 1,809,000;

Foreistry and water enterprises, Yen 4,430,000.

Japan Launches Big Relief Program for Soldiers and Families

Measures to provide the relief and protection for sick and wounded soldiers, as well as their families and the kin of slain soldiers, were adopted by the Home Ministry in Tokyo Dec. 4. To meet these needs the Social Welfare Bureau of the Home Ministry decided to appropriate Yen 50,000,000 for military relief work in the new budget.

N.Y.K. Increases Japan-Shanghai Fleet to Four Ships

The Nippon Yusen Kaisha Dec. 4 announced that its Japan-Shanghai fleet would be increased to four vessels.

Urban Living Costs Rise in Japan During November

Cost of living indices for both laborers and salaried workers in the principal cities of Japan showed a slight increase in November compared with October's figures, a Tokyo message dated Dec. 5 stated.

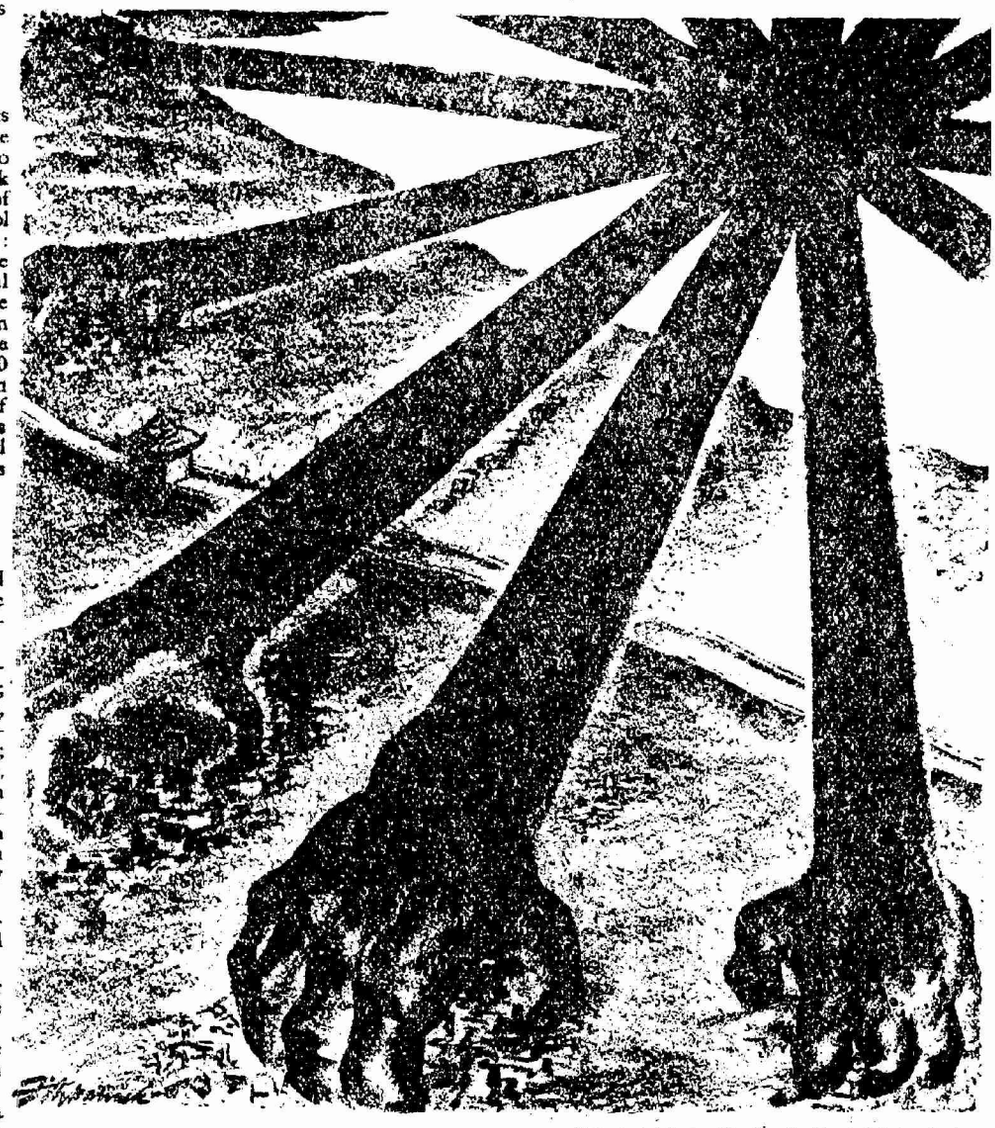
Tokyo Stock Market Bullish on Victory News

Reflecting the successive victories of Japanese troops in North China and the Shanghai area, the Tokyo stock market soared in active trading Dec. 3.

Author of Controversial Article Quits Tokyo University

Prof. Tadao Yanaihara, of the economics department of the Tokyo Imperial University, Dec. 1 tendered his resignation, thereby assuming responsibility for difficulties caused by his article entitled "National Ideals," which has printed in the September number of *Chuo Koron*, influential Tokyo magazine. His resignation was accepted immediately by President Nagayo.

MUCH DISCUSSED TOKYO "AXIS"



Fitzpatrick in St. Louis Post-Dispatch

Sentiment in Favor of War Declaration Gains Strength, "Yomiuri" Says

Under a streamer headline, the Tokyo *Yomiuri*, Dec. 4 reported that opinion favoring an immediate declaration of war on China is again gaining strength. This opinion is based on the expectation that a war declaration would check China's imports of foreign arms and ammunition, which are made "chiefly through Hongkong and Canton," the paper said.

Liverpool Dockers Refuse to Unload Goods from Japan

Two hundred dockyard workers refused to unload Japanese goods which arrived to Liverpool Dec. 5 on a Canadian Pacific Line vessel. The ship returned to Canada with the goods still on board. The dockers were members of the Transport and General Workers' Union and recommended other sections of the Union to carry out a similar embargo throughout the country.

China Scores Victory Through Losing the Game.

BY ANNA GINSBOURG

From obscurity of mind and the tumult of emotions, caused by the manifestation of might's predominance over right in the world today, emerges a lucid thought: through agony of grief only, which calls for extreme exertion of spiritual powers is man apt to achieve the real understanding of his inner self: potential forces of a nation likewise find a full outlet for themselves in times of national calamity or distress when a nationa's integrity and existence are at stake.

Now, if ever is the time to judge China's resourcefulness: How strong is her sap, vigour, resistibility? In what state will she emerge from the present crisis? Will this tragic experience result in the termination of her spiritual existence and precipitate the downfall of the world's most ancient culture?

No attentive observer of the unfolding of Japan's aggressive policy in China may remain oblivious to one aspect of it, namely: the amount of stress laid upon the destructive activity directed against Chinese educational institutions, which reached its peak in the "accidental" bombing of a number of universities. The intensity of this phase of aggression is motivated by the feeling that whatever is vivid in China today is being fostered in her universities and carried by students to the world outside.

Since very early times in the history of Europe universities were, not unjustly, thought of as the "seats of learning" and were always subject to a more or less severe control on the part of their respective governments. The idea that the very fact of being under constant supervision has been a good enough psychological motive stimulating the breeding of dangerous thoughts in the minds of the "suspicious ones" was never given due consideration in spite of the abundant evidence to the fact that the most serious conflicts used to arise in times of a severest oppression through mere reaction.

The Threat of Foreign Aggression

I am not prepared to discuss here in what measure Chinese governmental interference is responsible for the spiritual upbringing of Chinese youth. The situation in China is different. The whole nation is undergoing the process of regeneration, its youth taking the lead, under the influence of one decisive factor: the threat of foreign aggression.

We feel inclined to think that the so frequently met assertion that Chinese people are devoid of "nation-consciousness", in so much as even their vocabulary is lacking the word "patriotism", is much exaggerated. Chinese philosophy does embody this conception but due to a specific quality of Chinese national characteristic it failed to imply any vivid meaning until of late.

The accident of the Manchurian issue played a very great role in making a nation out of the Chinese people. It called forth an unprecedented nation-wide spiritual response, venting itself in protests and demonstrations, and giving rise to a number of patriotic organisations. The sequence of events in the North was responsible for the spreading on a country-side scale of the Students' Patriotic Movement, the wide activity of the National Salvation Organizations and others which it would take too much space to enumerate here.

The rising wave of national self-consciouness reached its climax at the outbreak of the Shanghai "incident". The assailant, as well as we outside observers, at once felt the metamorphosis in reaction of people "en masse".

The change in the mental outlook of a people does not happen overnight unless preceded by a steady preliminary process. I happened to live in the interior of China for a few months just prior to the beginning of hostilities in Shanghai. To my mind the state of mental preparedness with which people of different strata of society, mostly young, awaited the outbreak of the crisis, was a startling revelation. Living far inside the country (Changsha, Hunan) I felt the inevitability of war-on-a-large-scale much more acutely than people in Shanghai and even in the North.

In the light of this knowledge it is no wonder that China, materially weak and lacking the military preparedness of Japan, was able to repel her attacks with such unlooked-for force. The same explains Japan's outrageous attitude towards Chinese educational institutions.

Foreign aggression on one part, the nationalistic disposition of the Government on the other, these are the two main factors influencing the patriotic trend in the upbringing of the Chinese youth. What teachers fail to impose upon young minds is supplied by literature, family, friends from outside. My impression of Chinese young men and young women, whom I have pleasure to be in close contact with, is that they are high-spirited gallant folks with strong craving for knowledge and love for public service—the very type of students Europe used to be proud of and at the same time afraid of before the World War.

If, from the point of view of academic knowledge Chinese students do lag behind their foreign comrades, it is by no means so where their general intellectual and mental development is concerned. There is too much motion both on the surface and underneath every sphere of life in China now to leave the young minds at rest: the collapse of old values and their replacement by new ones, the rejection of whole series of ancient beliefs and introduction of modern ideas—all this involves personal conflicts and the need of using one's own judgement in their disentangling. And above all this looms the constant threat of further national degradation and humiliation and menace to a nation's independent existence.

During my stay in the Interior the impressions which had been gained through working experience with students in Shanghai shaped themselves into well-based opinions, altering my entire outlook upon China and her future.

Intellectual Level of Students Rises Rapidly

Hunan is considered one of the leading provinces in China as far as education is concerned as, apart from two universities, there are ninety middle-schools and twenty-three thousand elemetary schools in the province all of which are of good repute in the country. Several hundred college students, attending Hunan University and Yali Medical School in Changsha, as well as thousands of primary and middle-school students in this city, come from different, sometimes even remote, provinces and therefore present a heterogenous *milieu* offering interesting material for observation. I visited a large number of schools, mixed with students and had discussions with Chinese and foreign teachers. "The intellectual level of Chinese students is very rapidly rising; by no means could it be compared with what it was a decade ago," one young Chinese teacher, American returned student, told me. To my question whether he thinks that political events play an important role in it he answered that he is being more and more bothered with political questions on the part of his students. I too once found myself in a very embarrassing situation. This was a pleasant little incident which I should like to re-tell:—Liu-shü, a fifteen year old youngster, nephew of the Chinese lady-friend I was staying with in Changsha, used to call on me Sunday mornings in order to practice his scanty English. One Sunday he came looking very solemn and asked me to descend into the reception-room to meet some of his school-mates. What was my surprise when upon entering it I saw a file of six boys, erect as on a parade, one of which at once stepped forward and explained that this is a delegation from such-and-such grade of such-and-such school and that he is empowered to talk to me in their name. "—Are you Russian?" was his first question. When my confirmative reply met with a look of delight in his eyes he went on in his broken English:—"you see, we thought that you might be good enough to solve the dispute among our boys. One part of them says that Russia used to be as poor and helpless as China is now and that because Communists saved Russia we should all become Communists and save China, but others argue and say that all Communists are robbers and that nobody knows how it is in Russia now. What will you advise?" One ought to see how disillusioned the poor boys looked when I told them that this problem is too serious and complicated for me to undertake to solve it.

Thousands of boys of this type have subjected themselves to horrors of war by participating in the activities of Red and Yellow Swastika, Red Cross and Boy Scouts Associations. Chang Hai-keng a 17-year-old Boy Scout was killed on a troop comforting mission on the front at Shanghai. Scores of others succumbed to stray bullets along the front line, epidemics and fell victims of bombing incidents. Time is not yet ripe for the roll of honor of these silent heroes. Many a victim is needed but still more are willing to sacrifice their lives. There is no limit to China's resourcefulness in live material, which is no more the food-for-powder of the past but the safeguard of her future. The present bloody struggle may last long and end with heavy material losses; universities might be bombed, closed and forced to move from place to place; other, more forceful factors, will determine the final issue.

83-084

Manchukuo Has Adverse Trade Balance in Month of November

MANCHUKUO'S foreign trade in November resulted in an adverse balance amounting to 35,000,000 yuan, according to an announcement of the Economics Department of the government in Hsinking Dec. 5. Exports totalled 45,000,000 yuan and imports 80,000,000 in the month. During the past 11 months exports amounted to 556,000,000 yuan, while imports totalled 788,000,000. Exports to Japan during November totalled 21,498,000 yuan, while imports from Japan were valued at 65,918,000.

Luigi Cortese Appointed Envoy to Hsinking

Signor Luige Cortese, Italian Consul-General in Mukden, has been appointed Charge D'Affaires in Manchukuo, it was announced in Hsinking, Dec. 1. The new envoy arrived in Hsinking Dec. 2 to inform the Manchukuo Government formally of its recognition by the Government of Italy.

Italian air craft may be purchased by "Manchukuo" to balance the trade between the two nations, Tokyo newspapers predicted Dec. 1. Following Italy's recognition of the new State the two Governments agreed to exchange ministers.

Japanese Overseas Ministry Asks Funds to Dispatch 30,000 Young Immigrants to Manchuria

The Tokyo Ministry of Overseas Affairs decided Dec. 4 to demand the necessary estimates for the despatch of 30,000 young emigrants between the ages of fifteen and eighteen to Manchukuo next year. The plan has already been approved by the Cabinet. The Ministry intends to send 120,000 young emigrants to Manchukuo in four years.

Eighty-eight prospective settlers for Manchukuo farms, selected by the Overseas Office from Nagano prefecture, sailed for Manchukuo by the ferry *Siberia Maru* from Tsurga, Nov. 16.

Credit of £2,000,000 Obtained from German Syndicate By Manchukuo Bank

The Central Bank of Manchu Nov. 15 concluded an agreement with the Otto Wolf syndicate of Germany for a credit of £2,000,000. The formal notes were exchanged between Hachiro Ohashi, chief of the Foreign Section of the Hsinking government, and Dr. Karl Knoll, German trade representative in Manchukuo, at the Foreign Section in Hsinking on said date.

The negotiations for the establishment of the credit have been conducted secretly since August this year. If the first credit of £2,000,000 proves successful, second and third credits may be established. The credit is expected to strengthen not only the economic ties but also the political tie of Manchukuo and Germany.

In this connection, the authorities of the Central Bank of Manchukuo said; "Since the conclusion of the German-Manchukuo trade agreement on April 30, 1935, the trade relations between Manchukuo and Germany have been becoming closer and we are glad that another arrangement has been made for the further smooth working of the agreement. According to the new agreement, a credit of £2,000,000 for six years has been established for the purchase of German products needed in Manchukuo for the execution of the country's five-year industrial plan. The conclusion of the agreement is most opportune for developing the inexhaustible resources of Manchukuo."

Manchukuo to Invite Foreign Investments

In an open bid for foreign investments, the Manchukuo Government Dec. 5 decided to set aside the provisions of the Foreign Exchange Control Law, insofar as they apply to the newly established Manchuria Heavy Industry Development Company, which will have monopoly on the industrial development of the new Empire. Foreign investments, whether in the form of cash or in the form of technical aid, machinery and raw materials, paid for in shares of the new concern, will be exempted from the provisions of the law.

Russia Concentrates Troops Along Manchurian Border

It was reported in a Japanese dispatch from Tsitsihar Nov. 14 that Soviet Russia has been recently concentrating large military forces along the Manchukuo-Soviet border and is building strong defense works there. Until early in September there were only four watch stations around Haluba, but 19 tochkas have since been built at intervals of about five kilometers. Strong tochkas have been erected at other places all along the frontier. Hitherto only a few men were posted at the tochkas, but recently their number has been increased to 25 or 30. Large quantities of arms are being sent to Ulan Bator by military trucks.

Japanese Send More Troops to Soviet Border, Fearing Possible Attack

The North China Daily News correspondent at Harbin (Nov. 23) stated that during the past month the movement of troops through he city has been very considerable, the majority being those which arrived from Japan via Seishin and Dairen, and which are being sent to positions along the border owing to the fear of a possible attack from Soviet Russia. Several train-loads were despatched to the eastern side of the country as guerilla warfare has been very freely indulged in at Mulin, Imempo and Echo, severe fighting having occurred on several occasions.

Soviet Military Aid to China Increasing, Tokyo Daily Says

Soviet military assistance to China is becoming "more and more undisguised daily," a Shanghai dispatch to the Tokyo Yomiuri, said Dec. 7. Already at least 200 Soviet warplanes have been sold to China since the start of the China incident, the paper said. The Soviets, asserted the paper, are transporting arms to China over two main routes, namely one from Moscow to Sinkiang by way of Siberia and the old Caravan trail across the Tien-shan Mountains to Chuguchak, and the other from Sinkiang to Anhsi, Kansu Province and then to Sian in Shensi Province.

Japanese Writer Says Bogomolov Was Dismissed for Giving "False" Information

Dimitri Bogomolov, the Soviet Ambassador to China, and Major-General E. D. Lepin, the military attache, have been dismissed because they supplied information to the Kremlin which was inaccurate and which has placed the Soviet Union in a delicate position regarding the Far East, the Tokyo *Nichi Nichi* charged last week in a dispatch bearing a Moscow dateline. The appointment of a new envoy is not likely to improve matters immediately, the writer said.

"The reason for Ambassador Bogomolov's replacement is not known but it is to be surmised that he is held responsible by the Kremlin for the adoption of a precarious Far Eastern policy as the result of his having entered into too-deep relations with Nanking on the basis of a mistaken conception of its ability to resist Japan," the Tokyo paper declared.

"This last may be considered the main cause of Moscow's displeasure. A similar misconception of the relative strengths of China and Japan was obtained by the Soviet representatives in Japan.

"The economic strength and national unity shown by Japan is entirely at variance with previous information obtained in Moscow. The Soviets were misled by these reports into underestimating Japan's resources," the *Nichi Nichi* said.

Moscow Planes to Reach Hankow in Forty Hours

Soviet military planes are able to fly from Moscow to Hankow in about 40 hours, according to information received in Hongkong, Dec. 4 from Soviet sources. In order to cover the distance between the two cities in this time by way of Central Asia and Sinkiang Province it would be necessary to fly day and night without stopping.

120,000 Koreans Are Expelled from South Ussuri—Poles to Replace Them

The Soviet authorities, who are taking ruthless measures in expelling Koreans from Russian territory in the Far East, are now going to force all the Korean residents of the Maritime Province to leave, recent Japanese reports stated. Already about 120,000 Koreans have been expelled from the southern Ussuri district, according to the first stage of the program. Not a single Korean remains in Vladivostok. Messages from various sources indicate that the Russians are "transplanting" families from various Slavic races (mostly Poles) to the Far Eastern regions to make up for the hiatus caused by the expulsion.

Koreans in Siberia Claimed by Japan

Japan claims jurisdiction over the 200,000 Koreans, residing is the Soviet Maritime Provinces until their alleged compulsory transfer to Central Asia. Revealing that the Soviet Government had rejected Japan's protest against the forced migration of these men, a spokesman of the Gaimusho in Tokyo Dec. 7 declared that Korean residents abroad have been, ever since the days of the old Korean Government forbidden to renounce their citizenship. Consequently, he declared, the 200,000 Koreans involved in the transfer still remain Japanese subjects.

Japan Gives Recognition to National Spain

The Tokyo Government Nov. 30 decided to accord *de jure* recognition to Gen. Francisco Franco's Nationalist regime in Spain.

Japanese Report Capture of Purple Mountain—Gen. Chiang Kai-shek Flies to Nanchang

JAPANESE troops were reported to be closing in on Nanking in a semi-circle on Dec. 7. It is admitted that Nanking is well defended, there being there, according to Japanese estimates, about 300,000 Chinese troops. It is pointed out, however, that more than half of these are untried provincials.

The Purple Mountain at Nanking, where lie the remains of Dr. Sun Yat-sen in the famous mausoleum, has been taken by the Japanese, according to a *Reuter* despatch from Tokyo. This is a most strategic position commanding a large part of the Nanking area and should give the Japanese a great advantage in their drive.

General Tang Seng-chi, commander of the Nanking garrison, according to the same reports has ordered all the gates to Nanking to be closed. Prior to the issue of the order, General Tang is stated to have advised all foreign residents to leave the city, informing them of the approach of Japanese troops. The foreign residents, except a few correspondents, are reported to have left the capital.

All indications pointed to the probability that the Chinese are determined to defend the city, although it is not known whether the yet untried provincial troops will be able to check the Japanese offensive.

It was the opinion in Shanghai that General Chiang Kai-shek would arrange matters so that the best troops would be evacuated from the city before the Japanese could claim a decisive victory. One theory was that these men would be taken across the Yangtze and sent to Hankow.

It was announced Dec. 7 by the Imperial Headquarters in Tokyo that with the last Chinese defence line in their hands the Japanese troops were preparing for a final onslaught. The advancing army was said to have occupied key positions at Chihhsiashan, Tsinglungshan and Fangshan, respectively nine miles east, four miles northeast and 15 miles southeast of Nanking.

The Japanese Naval Air Force was said to have been co-operating with the army by bombing troop positions on the outskirts of Nanking. The Wuhu railway yards came in for their share of bombing, as did the vicinity of Ningkuo.

Official reports to the contrary, correspondents in Nanking were said to be of the opinion that the Chinese would probably set fire to the city if they found it necessary to withdraw. Reports emanating from the capital at a late hour Dec. 7 stated that a deathlike silence reigned over streets that had once been noted for their life and activity.

All government buildings in the capital were occupied by troops on that date, and martial law had been instituted in the city and all over the surrounding area.

Meanwhile, it was reported that the Japanese were continuing their operations in the direction of Wuhu. Japanese troops were said to have crossed the Tanyang Lake and to have landed on the southern shore for the purpose of preparing the ground for an attack on the important river city.

There was no change in the front at Chinkiang, where the boom was said to have been strengthened despite heavy bombing and shelling from Japanese planes and battleships. Reports appearing in Shanghai Chinese newspapers claimed that the defending forces had been making hay while the sun shone at Wushing. According to the meagre information contained in these announcements, Chinese units operating from Hangchow had succeeded in driving the Japanese from the city.

Painting a general picture of the military situation Shanghai observers stated that the eventual fall of Nanking would probably bring about revolutionary change in the Chinese military tactics. That port of the army which succeeds in escaping would undoubtedly adopt methods of combat not unlike those being utilized by the Communist armies in Shansi, it was stated. It is generally believed that the Red armies, owing to their guerrilla methods, have lost very few men and are in better shape to-day than at the start.

Chinese Recapture Kwangteh in See-Saw Battle

Engaging the Japanese invaders in see-saw battles, the Chinese right wing forces recaptured the strategic city of Kwangteh, eastern Anhwei, for the third time Dec. 25.

Chinese Troops Heavily Concentrated Southeast of Chingkiang

Extending southwards from Chinkiang, the Kiangsu Provincial, capital, the Chinese troops defence works, 150 kilometers in length, terminated at Sze-an, on the Chekiang-Anhwei border. While the Chinese right wing forces operating along the Chekiang-Anhwei border launched counter-attacks on the Japanese in the Changhing-Wuhin (Wuchow) sector, the left wing forces strenuously held the Chinkiang-Kuyung line. Chinese troops were heavily concentrated south-east of Chinkiang and at Kuyung. Proceeding westwards from Tanyang, 19 miles southeast of Chinkiang, the Japanese troops this week launched a heavy attack on the Chinese defence works at Kuyung, along the Tanyang-Kuyung Highway, being assisted by 30 airplane bombers.

Chinese Recapture Changhing

The city of Changhing, situated on the Nanking-Hangchow National Highway on the south-western bank of the Tai Hu (Lake), was recaptured by the Chinese right wing forces on Dec. 3, Chinese reports stated.

Chinese Destroy Kiangying Forts Before Withdrawing

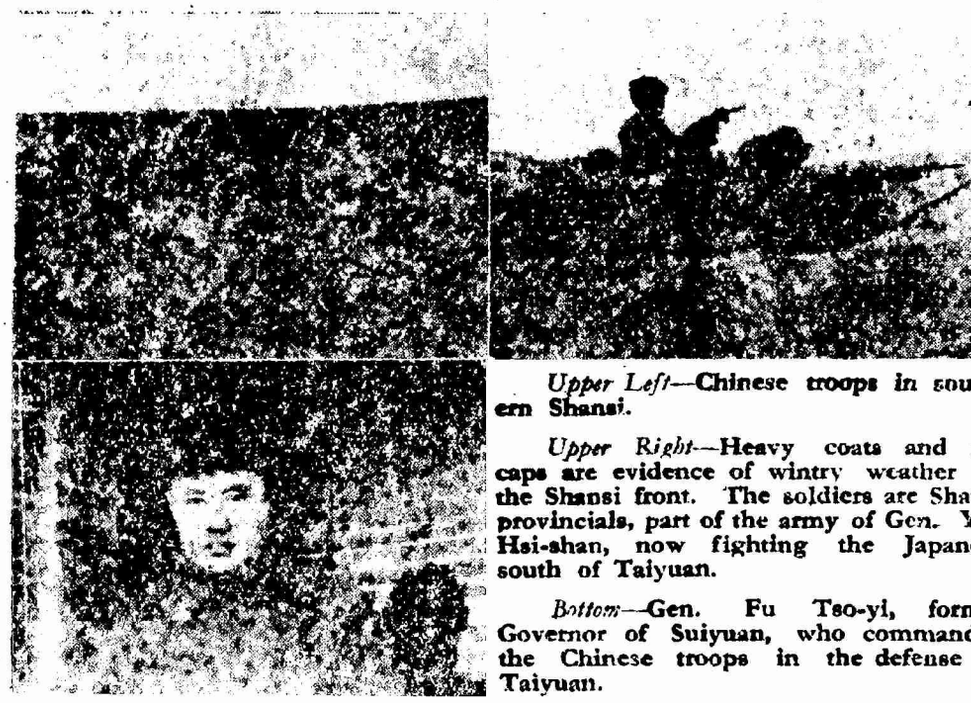
Prior to their withdrawal, the Chinese defenders of the Kiangying Forts destroyed all the fortifications and guns, leaving only a mass of ruins to the Japanese invaders, *Kuo Min* stated. After the occupation of the battered forts by the Japanese land units, 12 Japanese warships moved up-river, beyond the range of the Chinese heavy artillery on the northern bank of the Yangtsze River, with a view to destroying the Kiangyin boom. Twenty Japanese airplanes power-dived and dropped more than 100 bombs over the point where they figure the boom has been laid.

Japanese Again Raid Nanking and Pukow—Fires Started at Pukow

Nanking was raided shortly after 9.45 a.m. Dec. 6 by six Japanese planes. Eight bombs fell in the poor district west of the civil airdrome, demolishing about 40 houses. Bombs also fell near the building of the Examination Yuan. Altogether the casualties are estimated at about 12 persons killed and 20 wounded.

Two huge fires were started near the railway depot when at least nine Japanese bombers, escorted by five pursuit 'planes, bombed Pukow, opposite Nanking.

FIRST PICTURES FROM THE SHANSI FRONT



Upper Left—**Chinese troops in southern Shansi.**

Upper Right—**Heavy coats and fur caps are evidence of wintry weather on the Shansi front. The soldiers are Shansi provincials, part of the army of Gen. Yen Hsi-shan, now fighting the Japanese south of Taiyuan.**

Bottom—**Gen. Fu Tso-yi, former Governor of Suiyuan, who commanded the Chinese troops in the defense of Taiyuan.**

Nanking experienced its 111th air raid since the beginning of hostilities on Dec. 3 when three Japanese planes appeared over the city and drooped several bombs in the vicinity of the golf course. The three raiders were the only machines of a large fleet which succeeded in eluding the Chinese pursuit planes which took to the air on the sounding of the alarm in an effort to intercept the visitors.

The remaining Japanese aircraft were engaged by the Chinese machines. Chinese reports claim that two Japanese planes were shot down and that all the Chinese machines returned safely to their base. The Chinese also claimed that four Japanese planes and one Chinese fighter were brought down in aerial combats last Thursday when Japanese aircraft made two attempts to raid the capital.

Gen. Chiang Kai-shek Flies to Nanchang

General Chiang Kai-shek, President of the Executive Yuan Commander-in-Chief of China's armed forces, departed from Nanking by plane Dec. 7. His destination is believed to have been Nanchang, the provincial capital of Kiangsi, which was his headquarters during the anti-Communist campaign.

Kwangteh Retaken, Chinese Claim

Kwangteh, which was occupied by the Japanese troops, was retaken by the Chinese troops Dec. 1, Chinese reports claimed,

Nanking Americans Warned to Prepare to Evacuate

The American Consulate Dec. 4 warned Americans to be prepared to board the U. S. S. *Panay* on "short notice."

Preparations Make for an "Unofficial" Saftey Zone

Despite the fact that no reply had been received from the Japanese authorities to the proposal to form a safety zone in Nanking, the Safety Zone Committee asked the Chinese military authorities to move all military establishments from the zone. Members of the Committee, who observed trench-digging operations at three points in the south-west portion of the zone, reported the matter to the Defence Commissioner. Orders were immediately issued by Headquarters for abandonment of the works. The Committee has decided to use the same symbol as that used in marking the Nantao zone, namely a red cross in a red circle on a white background.

Tokyo to Cancel Recognition of Nanking Government?

Possible concellation of Japan's recognition of the Nanking Government was the subject of important government conferences in Tokyo "with the fall of China's former capital impending," the Tokyo press reported Dec. 5. Leading Tokyo dailies, including the *Asahi* and the *Nichi-Nichi*, said it was understood that Premier Prince Ayamaro Konoye had been considering this step for some time. Such action has been advocated, said the journals, on the grounds that the Nanking Government "entirely fails to show any sign of denouncing Communism or giving up its resistance against Japan, but contrarily continues openly a policy of setting one foreign power against another, meanwhile transferring the seat of government to the interior and openly announcing its intention to continue long-term resistance."

The *Nichi-Nichi* stated that Premier Konoye and other government leaders held the opinion that when Gen. Chiang Kai-shek deserts Nanking and flees to the interior the National government of China will be reduced to a merely local regime, losing its status as the Central Government of China. Therefore, the Japanese Government, continued the journal, "seemingly is considering" the announcement of a cancellation of recognition after the fall of Nanking. "Such a cancellation," the paper declared further, "would serve as a prelude to operations in real earnest under the new leadership of the Japanese Imperial Headquarters. It is also expected to have an important bearing on the birth of the new regime in North China."

The policy of the Japanese Government in dealing with China's longterm resistance was expected to be decided "on the basis of the outcome of military operations during the next week or so," declared the *Chugai Shogyo*, leading financial daily, which added that it was necessary to quickly decide various important national policies "on the basis of the highest policy."

Four Japanese Planes Shot Down in Nanking "Dog Fight"

Four Japanese airplanes were brought down by Chinese pursuit planes in Nanking Dec. 1, a *Kuo Min* message stated. At 11 a.m., more than 10 Japanese airplanes appeared over the Capital, but were immediately challenged by Chinese pursuit planes. The Japanese raiders departed after dropping several bombs outside the Kwang Hua Men (gate); but not before one of their number had been hit and brought down.

A Chinese airplane also made a forced landing on account of engine trouble. The wings of the airplane were slightly damaged and the two pilots wounded.

At 1 p.m., three Japanese airplanes again reconnoitred over the Capital. They were immediately surrounded by a squadron of Chinese pursuit planes. After a fierce aerial battle, two of the Japanese airplanes were brought down in flames in the vicinity of the Ching Lung Shan (Blue Dragon Hill). One Japanese airman was instantaneously killed and another seriously wounded.

Another Japanese airplane, which flew away in an easterly direction, was attacked and brought down by a Chinese scouting plane near Tangshan, the hot springs resort.

Japanese Airmen Claim to Have Shot Down 10 Soviet-Made Planes at Nanking

Challenged to aerial combat by more than 30 Chinese warplanes, a Japanese naval air squadron raiding the Tahsiochang airdrome at Nanking at noon Dec. 2 shot down 10 pursuit ships and three large Chinese bombers, according to a communique issued by the Japanese Fleet Headquarters in Shanghai the following day. The Chinese fighting craft were Soviet-made monoplanes, the communique said.

Destruction of Nanking Is Urged by Chinese Press

Vernacular newspapers in Nanking of which only two "mosquito-sheets" remain, Dec. 4 carried leading articles urging the Chinese to disregard the Nanking safety zone plan. "They should follow the accepted policy of sending women, children and the aged beyond the military zones leaving only the able-bodied men to fight," the articles said. Chinese soldiers were urged to pursue the "scorched earth" policy of leaving "not a single blade of grass to support Japanese life."

Mediation Reports Termed Chinese Propaganda by Japanese

Reports of mediation by Germany in the Sino-Japanese conflict are regarded in well-informed circles in Japan as Chinese propaganda or a move designed to invoke vigorous assistance from Britain and the Soviet Union, a *Domei* message from Tokyo Dec. 4 stated. They were also viewed as part of an effort to sound out Japan's attitude toward peace terms, or to curb possible increasing demands of the Japanese nation in proportion to the prolonging of hostilities.

Japanese Capture Chinese Cruiser Aground Near Kiangyin

The crew of a Japanese warship belonging to a destroyer flotilla, which had actively assisted the landing of Japanese troops, captured the cruiser *Ninghai*, one of China's best war vessels, which ran aground near Paweikang opposite Kiangyin along the Yangtsze, the Japanese Fleet Headquarters announced in a communique Dec. 5.

Hunan Strengthens Defence Works

Measures for the strengthening of defence works during the winter season and stabilization of local peace and order in Hunan have been decided upon by the Provincial Peace Preservation Bureau, a telegram from Changsha, Dec. 5 stated.

Japanese to Permit All Foreign Residents Back Into Northern Area Dec. 15

Foreign residents in Hongkew, Wayside, and Yangtzepoo, areas will be permitted to return there on December 15, a spokesman for the Japanese Embassy announced Nov. 30. Only persons who formerly resided in the Settlement, north of Soochow Creek, will be issued permits to return to their former homes, he added. Yangtzepoo, east of Tinghai Road, the last north-south intersection of Yangtzepoo Road, will remain in the proscribed zone as will "some areas that will be not opened for military reasons."

Extra-Settlement roads will also remain "out of bounds," the official announced.

Consular identification papers will be required of applicants for Admission Passes which will be issued by the Japanese Consulate-General with the approval of the headquarters of the Special Naval Landing Party.

Following their return to their homes, these residents will be required to inform the Shanghai Municipal Police station in whose precinct their houses are located of their presence and hoist their respective national flags over their houses.

Shanghai Bankers Accompany O. K. Yui to Hankow by Plane

O. K. Yui, Mayor of Greater Shanghai, departed from Hongkong for Hankow Dec. 3 by airplane. Travelling with him were several banking and civic leaders of Shanghai, including Sung Han-chang, General Manager of the Bank of China; Pei Tsu-yee, Manager of the Bank of China; Feng Ti-kwang, Managing-Director of the Bank of China; Tu Yueh-sheng, President of the Wai Chung Bank and Chairman of the Shanghai Civic Association; Wang Hsiao-lai, Chairman of the Shanghai City Chamber of Commerce; and Chien Yung-ming, Assistant General Manager of the Joint Savings Society of the Yienyieh, Kincheng, Continental and China & South Sea Banks.

Chang Kia-ngau, Minister of Railways, and Peng Hsueh-pei, Political Vice-Minister of Communications, arrived in Hankow Nov. 30 from Nanking.

Chen Kuo-fu, until recently Chairman of the Kiangsu Provincial Government, and his younger brother Chen Li-fu, member of the Standing Committee of the C. E. C., arrived in Hankow Dec. 3 from Kiukiang.

Gen. Yang Hu-cheng, one of the leaders of the Sian coup of December, 1936, left Canton Nov. 30 for Nanking, by way of Hankow, on orders of Gen. Chiang Kai-shek.

Tai Chi-tao, President of the Examination Yuan, arrived in Kweilin Nov. 30 via Hunan en route to Chungking, in Szechuan.

Lin Yun-kai, Minister of Audit, arrived in Canton from Hankow Nov. 30. He was accompanied by Liu Chi-wen, the Political Vice-Minister.

Pending the arrival in Changsha of Hu Tzu-wei, the newly appointed Provincial Commissionet of Civil Affairs for Hunan, it is announced that General Chang Chih-chung, Chairman of the Hunan Provincial Government, will serve concurrently as Acting Commissioner. *pro tem.*

Tsou Lu, member of the Standing Committee of the C.E.C., and Tan Chen, Vice-President of the Judicial Yuan, arrived in Chungking this week on the s.s. *Wanliu*. Over 200 officials of the Judicial, Examination, and Control Yuans also arrived in Chungking by other steamers.

Kiangsu Provincial Government Removed to Yangchow

In view of the imminence of hostilities in the Chinkiang area, the seat of the Kiangsu Provincial Government has been removed north to Yangchow from Chinkiang. General Ku Chutang, the new Provincial Government Chairman, together with Messrs. Han Te-chin and Hu 1, respectively new Provincial Commissioners of Civil Affairs and Peconstructon, have taken up their duties in Yangchow.

A Mandates issued by the National Government Dec. 1 appointed Huang Cheng Consul-General at Paris and Chang Tze-chang Consul at Los Angeles.

The following Mandate was issued by the National Government in Chungking, Dec. 1: Tao Li-chien, having been appointed to another post (as Chief Secretary of the Hunan Provincial Government), is hereby relieved of his duties as Political Vice-Minister of Interiot. Ling Chang is hereby appointed Political Vice-Minister of Interior.

General Liu Hsiang, Chairman of the Szechuen Provincial Government, arrived in Hongkong, Dec. 7.

Sun Fo Said Gone to Amoy to Meet Chinese Air Ace

Sun Fo, President of the Legislative Yuan, arrived in Amoy Dec. 1 from Hongkong, according to Japanese reports. The purpose of his trip was said to be to meet Chang Hui-chang, a Chinese air force ace and magistrate of the Chungshan district, Kwangtung, who is said to have in his bailiwick 34 British-made airplanes.

The *Ta Mei Wan Pao* Nov. 30 said Yui Ming, who had in the meantime proceeded to Hongkong would go abroad in company with Dr. Sun Fo, President of the Legislative Yuan. Yui Ming, Director of the Shanghai office of the Ministry of Foreign Affairs, Wang Hsiao-lai, Chairman of the Shanghai Chamber of Commerce, Chien Hsin-tze, Manager of the Joint Savings Society, and David Kung—eldest son of Dr. H. H. Kung, and others were among the officials who recently proceeded from Shanghai to Hongkong.

British Embassy Party Arrives in Hongkong Enroute to Shanghai

The first stage in the tranafer of the British Embassy from Hankow to Shanghai was successfully completed at 11.20 a. m. Dec. 5, when a "Special Diplomatic Express," carrying R. G. Howe, the British Charge d'Affaires, members of the Embassy staff and some 40 other foreigners arrived safely in Hongkong.

Members of the party said that two Japanese planes flew over the express during the journey from Canton, but made no attempt to bomb it. However, they dropped missiles on the permanent way before and behind the express, but no direct hits on the tracks were witnessed. The passengers included a number of foreign women and children, some sick naval ratings and several Frenchmen.

Gen. Chen Chi-tang's Contribution of $7,000,000 Earns Him Special Commendation

General Chen Chi-tang, member of the National Defence Council and former Kwangtung leader, was specially commended by the National Government in a Mandate issued in Chungking Dec. 4 for his contribution of $7,000,000 to the national cause.

Special Committees to Consider Educational Grants in Shanghai

At a meeting of the Education Board of the Shanghai Municipal Council on Nov. 19, it was recommended that two special committees (functioning as sub-committees of the Education Board) be formed to consider applications for educational grants for 1938. Membership of the committees was recommended as follows:—

Foreign Schools:—H. Porter, E. E. Parsons, T. Yamamoto, J. S. Whitney.

Chinese Schools:—L. T. Yuan, K. H. Ling, H. C. E. Liu, Yulin Hsi, Chen Che-chen, K. S Tong, S. E. Wei, S. C. Liao, Mrs. C. L. Hsia.

More Than 100,000 Refugee Children Given School Facilities

More than 100,000 children in 181 local refugee camps have been given free text books, papers and pencils and are now attending school, according to H. C. Chen, Chairman of the Education Committee of the Shanghai International Red Cross The refugee children are being given two hours of instruction daily.

Chekiang University to Be Removed to Central Kiangsi

A Hangchow message Dec. 4 stated that in view of the imminence of hostilities with the approach of the Japanese invaders, the Chekiang Provincial University will be removed provisionally to Ki-an, in central Kiangsi.

A Nanchang message Dec. 1 stated that the first joint university—established at Kuling by the Fuhtan and Great China Universities and which was opened on Nov. 1,—will be merged with the second, which will be established in Kweiyang, provincial capital of Kweichow. A part of the students, totalling 800, has already passed through there en route to Kweiyang.

The Ministry of Education has issued an order to the schools which opened later than October, to cancel the winter vacation.

Women's University to Be Opened in Shanghai

A women's university will soon be opened in Shanghai, according to a Chinese report. The new educational institution, has been sponsored, among others, by General Liu Wen-tao, Chinese ambassador to Italy, Dr. T. T. Lew, former professor of Yenching University, and Messrs. Sun Wei-ting, Chang Yueh-hsiang and Wu Chih-chien, local educational leaders. A preparatory committee is reported to have been set up with Chao Yi-wei as its chairman.

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Puppet City Government Inaugurated at Pootung

A so-called "Great Way City Government" was inaugurated at Laineedoo, Pootung, last Sunday, Dec. 5. According to the manifesto which was issued announcing the inauguration, the new administration is headed by one Su Hsi-wen, a Fukienese of about 40 years of age. A Chinese report says the "puppet mayor" received his education in Japan, speaks fluent Japanese, and has entirely forgotten his mother tongue.

The latest report says a Chu Yu-tseng a northerner, has been appointed as the Director of the Police Bureau. Under him will be one Su Sheng director of the Pootung Branch Police Bureau, and Wang Hsing and Chu Shu-nien, assistants.

To celebrate the inauguration of the new administration, flags with a yellow background and bearing a Taoist design in red and blue in the centre were flown in several Pootung streets and at points close to the Whangpoo River.

At noon on Sunday, it was reported, a banquet was held in the police station where fifty tables were laid. During the banquet, says a Chinese report, Su and various directors under him announced their assumption of office and Japanese made speeches to the gathering.

The reason for setting up a new Chinese office in Pootung is attributed to the desolation and destruction in Nantao and Chapei. The head of the adminisration was said to have arrived only a month ago. Three hundred and sixty Chinese were reported to have been enrolled in the Police Training Institute of the Pacification Section of the Japanese Army, while the remaining 140 were put on Pootung streets for patrol duty.

Arms Exports from U.S. to China in November Totalled U.S. $5,746,989

The United States continued to be the main source of huge Chinese Government airplane and munitions purchases, it was revealed by the Federal Munitions Control Board in Washington, Dec. 6. The Board during the month of November authorized arms export licenses with a total value of $5,746,989 of which the largest single purchaser was China, although additional heavy purchases were made by Soviet Russia and Japan. China bought $1,702,370 worth of war supplies, mostly airplanes. Soviet Russia was second with $805,613 and Japan third with $528,453. Russian and Japanese purchases also comprised mostly warplanes and plane parts.

American Jewish Congress Meets in Washington

The American Jewish Congress opened in Washington Nov. 28 with a declaration noting the existence of five million Jews in Europe who are seriously threatened by totalitarian governments. The Congress plans to form a Democratic Jewish Front throughout the world in order to struggle against anti-semitism and believes that the Jews in the United States ought to assume the responsibility for determining the future existence for Israelities in the world.

Hongkong Starts to Make Population Air-Raid Conscious

A practical campaign to make the Colony air-raid conscious was announced Dec. 2 by the Hongkong Government. A course of public lectures in air-raid precautions is being conducted.

Soviet-Type Planes Said Destroyed in Lanchow

Four huge four-motored bombers and ten smaller military aircraft were blown to bits by accurately-aimed bombs dropped by Japanese naval planes on the airdrome in Lanchow, Kansu, Dec. 4, the Section of the Imperial General Headquarters announced in Tokyo the following day. Several other machines, "also recognised to be of Soviet construction," were damaged, the communique added. Two Chinese fighting planes, which went up to meet the Japanese aircraft, were allegedly beaten off.

Japanese Bombs Cause Heavy Destruction at Siaoshan

More than 1,000 casualties were sustained by the civilian population Dec. 1 when a squadron of Japanese airplanes again raided Siaoshan, the eastern terminus of the Chekiang-Kiangsi Railway on the southern bank of the Chientang River opposite Hangchow.

In the United States Court for China

AT SHANGHAI CHINA

In re:	Cause No. 4100
Estate of	Estate No. 1979
JOSEPH MICLO,	ORDER
Deceased.	Filed at Shanghai, China. this 10th day of August, 1937.
	William T. Collins, Clerk.

ORDER.

The Application of the Administrator in the above entitled Cause requesting an ORDER of this Court to be directed to JOSEPH DONAT MICLO, and/or his heirs-at-law, ALFONSE MICLO, and/or his heirs-at-law, and MARCEL MICLO, and/or his heirs-at-law assumed to be the heirs-at-law of JOSEPH MICLO, Deceased, whose Estate is now in the course of administration in this Court, and it further appearing that the above Joseph Donat Miclo, Alfonse Miclo and Marcel Miclo are dead not having been heard of by near known relatives of said Joseph Miclo, Deceased, for some thirty years or more, and it appearing that there is an uncertainty whether they are alive or dead, and it further appearing that it is necessary for the administrator of this Estate to be informed of all heirs-at-law of said Joseph Miclo, Deceased, for the purpose of making distribution of the assets of said Estate, IT IS HEREBY ORDERED.

That Joseph Donat Miclo and/or his heirs-at-law, Alfonse Miclo, and/or his heirs-at-law, and Marcel Miclo, and/or his heirs-at-law and all known and unknown heirs-at-law of Joseph Miclo, Deceased be duly notified in the manner hereinafter mentioned to submit in this Court on or before the first day of January, 1938, their evidence of proof positive of their respective kinship to Joseph Miclo, Deceased, as his heir or heirs-at-law, if they or any of them intend to participate in the distribution of the assets of this Estate, if found duly entitled thereto, and all communications in this respect shall be addressed, as follows:

The Clerk of the United States Court for China, Shanghai, China.

AND IT IS FURTHER ORDERED that a copy of this ORDER be caused to be published in a newspaper in general circulation in the City of Orbey, Department of Haut-Rhin, Alsace, Lorraine, France, and in the City of Paris, France, in the French language, and also in the CHINA WEEKLY REVIEW, a newspaper of general circulation in the City of Shanghai, China, in the English language, and that this ORDER shall be published in said newspapers on the first and second Saturdays, each, of the months of October, November and December, 1937.

BY THE COURT.

MILTON J. HELMICK,

Judge of the United States Court for China.

Men and Events

A. E. Schumacher, manager of the Chase Bank, has returned to Shanghai from a business trip to New York.

Dr. John C. Ferguson of Peiping, has returned home after several days in Shanghai investigating the political situation.

F. J. Twogood, general manager of Standard-Vacuum Oil Company, departed this week for Hongkong on a business trip.

Gerald L. G. Samson has returned to Shanghai from Tientsin where he is engaged on the completion of his forthcoming book on Japan.

Three medical and epidemiological teams will leave England for China on Dec. 19, in connection with the work of the League of Nations for Technical collaboration with China.

The Soviet military attache, Brigadier M. Dratvin, and two assistant attaches, Colonel Radov and Colonel Jigarego, arrived by airplane from Moscow, in Hankow Nov. 30.

F. P. Bills, president of Bills Motors, has arrived in Shanghai from Tsingtao where he and Mrs. Bills and their children have resided for several months.

Major Arthur Bassett, director of the British-American Tobacco Company, has returned to Shanghai from a business trip to Japan, Manchukuo and North China.

Liu Wu-chiao, member of the Executive Committee of the Shanghai Native Bankers' Guild, was elected Chairman at an extraordinary meeting of the Committee this week. He succeeds the late Shao Yen-shan who died several days ago.

Prof. Harold D. Lasswell of the University of Chicago, who has been visiting in Shanghai and Peiping for several months, planned to depart this week for Hongkong and after a few days there will return to the United States.

Mrs. M. E. Tait of Tokyo, writer and novelist, has arrived in Shanghai where she will remain for sometime as correspondent for the North American Newspaper Alliance (NANA). Mrs. Tait is residing at the Park Hotel.

Edwin Haward, accompanied by Mrs. Haward, left Shanghai this week on six months' leave to England. During his absence R. T. Peyton-Griffin will act as editor of the *North China Daily News* and A. P. Finch will act as associate editor.

The U.S.S. *Augusta*, flagship of the American Asiatic Fleet, will leave here for Manila on December 14. She is expected to arrive in Manila on Dec. 21. The U.S.S. *Marblehead*, 7,000-ton light cruiser, will arrive in Shanghai on Dec. 13 from Tsingtao to relieve the *Augusta*.

Owen Lattimore, Peiping, well-known writer on Far Eastern topics and editor of *Pacific Affairs*, accompanied by Mrs. Lattimore and their son, David, arrived in Tokyo this week. While there they were guests of Sir George and Lady Sansom, of the British Embassy.

John Punton Baston, accountant with the Henningsen Produce Company for several years past, died at the Country Hospital in Shanghai Dec. 5 of complications developing from an appendicitis operation Mr. Baston is survived in Shanghai by his wife. They made their home at 296 Route Culty.

J. V. A. MacMurray, fomer American Ambassador to Turkey, passed through Japan by the liner *President Coolidge* and spent Sunday in Tokyo. He came directly from the Philippine Islands, where he served as chairman of the joint committee preparing for Philippine independence.

"I was greatly surprised by the accuracy of the bombing operations executed by Japanese planes in a series of raids on Nanking," said H. R. Knickerbocker, correspondent for Hearst newspapers on his arrival Osaka from Shanghai Dec. 31. according to *Domei*.

The authorities in charge of the naval base at Manila have been informed that Washington has no objection to the return to Shanghai, now that conditions there are quieter, of the wives and dependents of officers and men of the Asiatic Fleet and the U.S. Marine corps.

Private Julius F. Fliszar of the mounted marine detachment forming the U.S. Embassy Guard at Peiping, who was wounded by unaimed rifle fire from Chinese troops defending the city at the start of the trouble last summer, has now recovered from his wound and is back on duty.

Morton Lawrence Baron, 24-year-old American, was charged in the U.S. Court for China this week with attempted extortion. The defendant, who is unknown in Shanghai, was arrested last Saturday by Settlement police. The allegation was that he had relieved an American woman of $500 under alleged false pretense. He claims to be a newspaperman with experience in the United States and Spain.

The premises of the Office Appliance Co., Ltd. Nanking Road, Shanghai, were entered by burglars over the week-end. They carried away office equipment to a value of about $15,000. The exact time of the burglary is not known, as nothing was known of the event until the employees returned to the offices on Monday morning. The firm carried no burglar insurance. The premises of the China-American Publishing Co. two doors away also showed signs of an attempt at burglary, but the premises were not entered.

H. J. Timperley, correspondent in China for the *Manchester Guardian*, and W. A. Farmer, correspondent for Australian newspapers, departed for Hongkong this week.

Wong Chia Garden, situated at Tsaochen, southwest of Siccawei, the property of Wong Ching-yung, Shanghai theatre magnate, has been reduced to ashes. This private villa, which was elaborately built and furnished along aristocratic lines, was one of the beauty spots of Shanghai.

Mr. and Mrs. Willard Price, who have made their home in Japan for several years, are on their way to Bankok by the *Saigon Maru*. They plan to continue to Egypt, Palestine and the Soviet Union, where Mr. Price will gather material for more books and fulfill commissions from the National Geographic Magazine for color photographs and articles.

The *Shanghai Evening Post* says that several American and Australian aviators who recently came to China to offer their services to the Chinese air force were rejected by the Nanking government on the ground that they had not enough actual flying experience. Some had not completed the required 2000 hours in the air and were therefore forced to return to their homelands.

Another record load of passengers, including priests, politicians and geisha girls, was brought to Shanghai Dec. 1 by the s.s. *Shanghai Maru*. Among the 418 passengers was Count Kosho Ohtani, abbot of the Nishi Hongan Temple in Kyoto, who will comfort the troops at the front lines and conduct services in Shanghai's "Little Tokyo."

In the Special Red Cross supplement issued as part of last week's issue (Dec. 4) of *The Review* an article entitled, "What Returned Students are Doing," was credited to "H. C. B." when it should have been credited to Miss Ada Lum, well known Chinese writer and artist, who wrote the article.

Colonel F.R.W. Graham, having completed his period as Commandant of the Shanghai Volunteer Corps, made his official departure from Dec. 9. Guards of honor from the Volunteers were lined up as he proceeded to the Nanking Road jetty to board the steamer. Col. J. W. Hornby arrived in Shanghai this week to take over command of the S. V. C. in succession to Colonel Graham.

A Chinese was arrested Dec. 5 on The Bund in Shanghai, with a quantity of paper flags which he was distributing to rickshaw pullers and others. The flags were yellow with "yang and yin" circles in red and green in the centers. They are said to be used by certain Pootung farmers as an expression of friendliness towards the Japanese military there. About a dozen of the flags were seized.

A communique issued by the Hongkong Government Dec. 5 announced that Sir Hughe Knatchbull-Hugessen, the British Ambassador to China, who recently returned to the colony from an extended trip through the Netherlands East Indies to recuperate from the wound he received when his car was fired on by a Japanese 'plane last August, will proceed to London, with his family, on board the P. & O. s.s. *Rajputana* on Dec. 11 in order to complete his convalescence.

News of the death of Major-General Jao Kuo-hua, Commander of the 145th Division attached to the 21st (Szechuan) army under Lieut.-General Tang Shih-tsun, in the battle of Kwangteh, eastern Anhwei, and the subsequent recapture of the city by his subordinates was received in Chengtu Dec. 4. Great admiration was expressed for his gallantry in defending Kwangteh and his untimely death is deeply regretted in Chinese circles.

The American Humane Society announced Nov. 27 it was anxious to locate Valentine Holdosi, 15 year-old Shanghai Hungarian, in order to award him the William O. Stillman medal for heroism. Valentine's parents joined others in evacuating their Yangtszepoo home at the beginning of the Shanghai hostilities and were forced to flee without bringing their belongings with them south of Soochow Creek. The boy, unable to get a pass to re-enter Yangtszepoo to rescue his pets, braved death from gunfire by following a circuitous course through Pootung and Yangtzepoo to reach his former home. He slipped through both the Chinese and Japanese lines and succeeded in returning with his abandoned pets, two starving dogs, two canaries and a chicken.

Robert Dollar II, 24 years old grandson of the late Capt. Robert Dollar, founder of the Robert Dollar Steamship Lines, was married on Dec. 5 to Miss Charlotte Eudora Dean, daughter of James S. Dean, city manager of Sacramento, Cal. Young Dollar's father was the late Harold Dollar, manager of the Oriental business of the company for many years, while his uncle Robert Stanley Dollar is present head of the Dollar steamship and lumber interests.

A large congregation witnessed the consecration of the Rev. William Payne Roberts as Bishop of Shanghai, in the Holy Trinity Cathedral Nov. 30. The address was given by the Reverend Yu En-Ssu, D.D., and the Reverend Wei Hsi-pen, D.D., was the Litanist. Li Mo-hsi was present as Registrar of the Chinese Church, and the Reverend Hollis Samuel Smith, S.T.B., attended as the Deputy Registrar of the American Church. The Reverend Montgomery Hunt Throop acted as the Master of Ceremonies.

83-090

New Books of Interest in the Far East

A Detailed Account of the Sian Revolt

Crisis in China, by James M. Bertram, MacMilland and Co., Ltd., London, 1937, 318 pp.

Seldom do books have such a timely interest as does "Crisis in China," an account of the "Sian incident" by one who arrived on the scene a few days after the Generalissimo had been released.

Although written prior to the present Sino-Japanese affair, the book deals intimately with the events which led up to the Chinese resistance to further Japanese aggression. The capture of Chiang Kai-shek by China's bad boy Chang Hsueh-liang startled the world by its melodramatic character, and few there are who have been able to analyze the motives which lay behind the Sian coup.

Actually, says Bertram, the Sian revolt was a protest against the continued civil war, which resulted in the dropping of Nanking's policy of "eliminating the red bandits." Chang Hsueh-liang had no other motives when he captured his superior than to convince him of the uselessness of further civil war at a time when Japanese inspired Mongolians were bearing down on Suiyuan.

It was clear when General Chiang arrived at Sian on Dec. 4 that he intended to supervise personally the launching of another Anti-Communist campaign. Such a campaign Chang Hsueh-liang was determined to prevent.

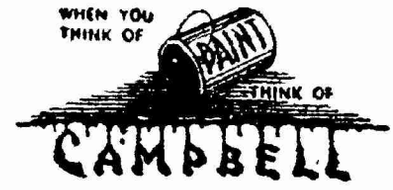
The motives of Yang Hu-cheng are less clear, but it seems certain that during the captivity in Sian the greatest danger to Chiang Kai-shek lay in Nanking, where a militant government was determined to bomb the Sian "rebels" into submission even though it should mean the death of the Generalissimo. When Chiang was released, it was with the definite understanding that there would be no more civil war, but after returning from Sian General Chiang retired for several months to Fenghua and Sian during this period lived in constant dread of the operations which might have been started at any time by the military party in Nanking. No more civil war, which had been promised by the Generalissimo, might have been the signal for another civil war. For two months Sian lived under this pall while the press of the world tended to depict Sian as being under a "red terror," which Bertram flatly denies. The only danger during Chiang Kai-shek's captivity and afterward, was from the possible bombing of the city by Nanking planes.

Early in February the agreement was reached, an agreement which seemed to be almost a complete capitulation of the Northwest to Nanking. The terms, which were never officially published, are described by Bertram as follows:

"The Tungpei army, the largest single force in the Northwest was to withdraw to Kansu; in the meantime it was falling back on Pinchow, a town near the Kansu border. Yu Hsueh-chung remained in direct command. Yang Hu-cheng's 17th Route Army was to move to the north of the Wei River. When this evacuation of Sian was completed, General Ku Chu-tung, representing the Military Commission at Nanking, was to move into Sian and take Provisional command. The Red Army was to move back to its own area in the north of the province; but it was generally understood that a real agreement between the Reds and Nanking had been struck, and that they would henceforth be supported from Nanking as a part of the regular forces of the Government. The whole United Front policy was to come up for discussion at the forthcoming Kuomintang Congress; meantime, the National Salvation movement in the Northwest was to be protected and supported by the authorities."

But the book is something more than an exposition of a period in China's history which is bound to become legendary. It is a personal record of a daring trip into Shensi at a time when every foreign journalist in China would have given his eye teeth to be able to make the same journey. By the conjunction of fortuitous circumstances, Bertram succeeded, and in Sian he met the men who supported the "revolt," interviewed Yang Hu-cheng, met that wandering spirit, Agnes Smedley, and watched the popular demonstrations that took place in Sian and its surroundings in favour of a "National Front" against Japanese aggression. Furthermore in the few brief contacts he had with the famed Red Army, Bertram noted the same general attributes of the Chinese communists which had been reported previously by Edgar Snow, whom the Japanese and some conservatives in other countries like to regard as biased.

To capitulate, Mr. Bertram's discussion of the situation in Sian is a necessary preliminary to a complete understanding of the present Sino-Japanese hostilities, and Chang Hsueh-liang, China's forgotten man, is more of a hero in this spectacular coup



PAINTS AND PAINT WORK

H. B. CAMPBELL

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In the United States Court for China

JOHN P. KOEHLER
Plaintiff,
vs.
BIRDIE A. KOEHLER
Defendant.

Cause No. 4274
Civil No. 2153
ORDER
Filed at Shanghai, China,
November 29th, 1937.
William T. Collins, Clerk.

The object of this suit is an action for a dissolution of the bonds of matrimony between the parties hereto

WHEREAS, plaintiff herein, by his attorneys, Allman, Davies & Kops, has this 18th day of November, 1937, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 18th day of November, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 18th day of November, 1937, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has she resided therein at any time during the past five years, and that defendant's last known address was 1502 Columbia Road, Washington, D.C.

NOW, THEREFORE, it is this 29th day of November, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 18th day of December, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 29th day of November, 1937.

MILTON J. HELMICK
Judge.

Japanese Bomb Two British Merchant Vessels and One Naval Vessel at Wuhu

Two British merchant steamers were bombed and a British naval craft (*Ladybird*) was struck by bomb splinters at Wuhu Dec. 5 during an aerial raid over the city. The Jardine steamer *Tuckwo* burst into a mass of flames soon after she was struck by one of many bombs dropped in the vicinity of the two vessels, and by mid-afternoon was completely gutted by fire; near by, the Butterfield and Swire steamer *Tatung*, with her engine room flooded as the result of another direct hit, was beached, while two hulks, one moored alongside each vessel, were sunk. The aerial attack crashed on the anchorage at about 11 a.m.

During the aerial raid on the city of Wuhu, six bombs were dropped and landed near the railway station. One bomb crashed through a Union Jack painted on the roof of Butterfield & Swire's godown, while another bomb exploded 20 yards from the A. P. C. steamer *Shuikwang*.

No reason for the bombing could be advanced by officials of the two Companies involved. The nationality of both steamers, it was declared, was clearly indicated by ensigns, house flags and Union Jacks painted on the top decks and sides of the steamers. The vessels, which, since the boom was erected had been plying between Hankow and Nanking, were well known on the river, it was added.

Two foreigners were slightly injured by bomb splinters when Japanese planes bombed the British ships at Wuhu. They were: Lieutenant-Commander H. D. Barlow, of H.M.S. *Ladybird*, and A. C. Morice, Chief Engineer of Messrs. Butterfield Swire's *Tatung*. A foreign eye-witness says the raiders flew up-river at a height of 6,000 feet, directly over the British ships, when they dropped the six bombs.

More than two score Chinese were killed as a result bombings at Wuhu. Twelve were instantly killed abo s.s. *Tuckwo*, three on the *Tuckwo's* tug, 15 aboard th and 12 died in the Wuhu General hospital.

With Chinese troops fleeing from the southern ban Yangtze at Wuhu and Nanking for points along the northern shore, Japanese military and naval aircraft carried out extensive bombing operations against vessels on the river, a Japanese spokesmen announced Dec. 5. "Between 30,000 and 50,000 troops retreating across the river in junks," a spokesman for the Army said, "were bombed off Wuhu."

Asked if panic of retreating troops accounted for the crossing of the Yangtze of 30,000 to 50,000 Chinese troops in broad daylight at Wuhu during the attack on the British vessels, a Japanese spokesman replied yes.

"We have no comment to make on the British Commander's statement that no Chinese troops were in the vicinity of Wuhu during Japanese bombing operations over that city yesterday," a Japanese spokesman declared in answer to a request for comment. "Aerial observations carried out by Japanese airmen show that Chinese troops were in the immediate vicinity of Wuhu," it was added.

Tsungming Island Affair

Tsungming Island, in the Yangtze Estuary, is not under Japanese naval occupation, a Japanese naval spokesman officially announced Dec. 5. This declaration was made in refu press reports that Japanese forces were holding certain portions of the island. Reports that Japanese forces were present on Tsungming Island, the spokesman stated, were printed in connection with an attack on the s.s. *Suishan* on Saturday, during which two Chinese were injured, one of them fatally, by a spray of bullets directed at the vessel from the island. "No Japanese forces are at present landed on Tsungming Island," the spokesman said.

General Ho Chien, New Minister of Outlines Policy

General Ho Chien, the new Minister of Interior, ann his assumption of office at Hankow in a circular telegram Dec. 1. Ling Chang, the new Political Vice-Minister of Interior, also assumed office.

Interviewed, General Ho Chien said that the ob entire Ministry of Interior, in time of peace, is to enforce the ages) regulations and maintain order and discipline among t $5.00

During the present period of national emergenc be continued, it is the duty of the Ministry to purify strengthen the *Pao-chia* (mutual guarantee) system, trai in the organize the masses, and train new recruits for the arm

Why Children Grind Their Teeth In Sleep.

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Baby's Own Tablets.

In the United States Court for China

CHARLES EDGAR PIERCE, Plaintiff. vs. AURORA MATILDA PIERCE, Defendant.	Cause No. 4279 Civil No. 2157 ORDER OF PUBLICATION Filed at Shanghai, China, Dec. 7, 1937. William T. Collins, Clerk.

The object of this suit is an action for divorce

WHEREAS, plaintiff herein, by his attorneys, has this 7th day of December, 1937, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 7th day of December, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 7th day of December, 1937, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor never has she resided therein since the last three years, and that defendant's last known address was 13 B Street Vallejo, California.

NOW, THEREFORE, is this 7th day of December, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, SHANGHAI, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 24th day of December, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 7th day of December, 1937.

MILTON J. HELMICK
Judge.

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